FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

East Europe

FBIS-EEU-88-127
Friday
1 July 1988

Daily Report
East Europe

FBIS-EEU-88-127 CONTENTS *1 July 1988*

ARMS CONTROL & DISARMAMENT

PPR's Ciosek Addresses Berlin Conference *[TRYBUNA LUDU 22 Jun]* 1
NATO Unwilling To Accept 'Realistic Compromise' *[CTK]* 1

ALBANIA

Officials Attend Spanish Embassy Reception 3
Foreign Ministry Delegation Returns From Sofia 3
Yugoslav 'Revisionism' Instigated Bloc Deviations 3
People's Assembly Discusses Transportation 4
Economic Progress Report for 19-25 Jun 5
Leaders' Public Appearances for 19-25 Jun 5

BULGARIA

Gotsev Arrives in London, Talks With Howe 6
Aleksandrov Receives Romania's Dobrescu 6
    Announcement on TU Visit 6
Tsanov, Delegation Visit GDR 27-30 Jun 7
Dunayev, Cosmonauts Hold News Conference 7
Draft Resolution on Education Released 7

CZECHOSLOVAKIA

More on Federal Assembly Deputies Talks in U.S. 9
Joint Communique With PLO Issued 9
More on Austria's Vranitzky-Led Delegation Visit 10
    Strougal Dinner Toast *[RUDE PRAVO 28 Jun]* 10
    Delegation Meets With Dissidents *[Vienna WIENER ZEITUNG 30 Jun]* 11
CEMA - EEC Economic Cooperation Viewed *[RUDE PRAVO 27 Jun]* 12
Janak Speaks at Peace, USSR Friendship Rally *[Bratislava PRAVDA 27 Jun]* 13
CPCZ's Kempny Addresses Youth Meeting 13
Non-Proliferation Treaty Anniversary Noted 14
Interview With Prague Party Leader Stepan *[RUDE PRAVO 28 Jun]* 14
Zavadil Denies Restructuring-1968 Link *[PRACE 28 Jun]* 17
Federal Assembly Approves Social Security Law 18
    Boda Speaks on Law *[Bratislava PRAVDA 17 Jun]* 18
Leaders' Public Appearances 19 - 26 June 21

GERMAN DEMOCRATIC REPUBLIC

Fischer Speaks on INF Missile Inspection 23
Territory Exchanged With West Berlin 25
FRG-GDR Rapid Rail Link Discussed *[Hamburg DPA]* 25
Eberlein Receives SPD Bundestag Deputies 25
Kessler, Swedish Army Chief Hold Talks 25
Schuerer Discusses Cooperation With SFRY *[NEUES DEUTSCHLAND 29 Jun]* 26
Honecker Receives Polish Defense Minister 26
Honecker Receives BCP's Vasil Tsanov 26
PRC Railways Minister Meets With Neumann *[NEUES DEUTSCHLAND 29 Jun]* 26
    Discusses Trade With Fenske *[NEUES DEUTSCHLAND 29 Jun]* 27

- Sindermann Receives Japanese Delegation 27
- Homann Receives Philippines Vice President *[NEUES DEUTSCHLAND 30 Jun]* 27
- DIE WELT Reports on Internal SED Document *[Bonn 25 Jun]* 27
- Church Urges SED To Change Domestic Policy *[Bonn DIE WELT 30 Jun]* 28
- Finance Minister Presents Budget Report 29

HUNGARY

- Major Trade Accord With EEC Initialled 31
- Grosz on Relations With Romania, Water Barrage 31
  - More on Romanian Ties, Other Issues 31
- Stricter Romanian Border Area Rules Noted *[NEPSZABADSAG 29 Jun]* 33
- Romanian Charge Summoned Over Consulate Closure 33
- Foreign Office Statement on Closure 33
- Romania Reportedly Cancels Hungarians' Trips 34
- Associations Protest Romanian Plans 34
  - Federation of Hungarians *[NEPSZABADSAG 29 Jun]* 34
  - Other Associations Protest 34
  - Further Reported Protests *[NEPSZABADSAG 25 Jun]* 35
- Foreign Affairs Expert Views CPSU Conference 35
- Further Summary of 1st Day's Assembly Session 36
  - Finance Minister's Address 39
  - Industry Minister's Address 40
- 2nd Day of Session Ends 41
- Biographies of New Officials 41

POLAND

- CPSU Conference's 'Lively Exchange of View' 43
- Foreign Ministry Spokesman Holds Press Conference 43
- PZPR's Rakowski Examines 'National Accord' *[Paris LE MONDE 30 Jun]* 45
- Political Bureau Holds Meeting, Views Issues 46
- Messner, Ministers Address Council of Voivodes 47
- Sadowski's Sejm Address Views Economic Changes *[TRYBUNA LUDU 18-19 Jun]* 48
- Further on Reform of Banking, Credit System *[TRYBUNA ROBOTNICZA 22 Jun]* 52

ROMANIA

- Closure of Hungarian Cultural Center Noted *[TANJUG]* 53
- RCP Session Discusses Relations With Hungary *[Prague]* 53
- Hungarian Council Plenum Report *[SCINTEIA 28 Jun]* 53
  - Plenum Resolution *[SCINTEIA 28 Jun]* 56
- Moscow TV Observes Hungarian-Romanian Dispute 58
- PEC Resolution on Ceausescu's Speech *[SCINTEIA 25 Jun]* 58
- PLO's 'Arafat Pays Official Visit 59
  - Meets Ceausescu *[AGERPRES 29 Jun]* 59
  - Holds Talks *[AGERPRES 30 Jun]* 59

YUGOSLAVIA

- 'Political-Cultural' Meeting in Ljubljana *[BORBA 23 Jun]* 61
  - DELO on Protest Meeting 62
- Jansa, Tasic, Borstner, Zavrl Indicted 63
  - On Jansa Hunger Strike 63
- Slovene Youth Presidium Discusses Elections 64
  - Elections Postponed 64

Attacks on Army in Slovenia Listed *[Ljubljana DELO 22 Jun]* 65
    Data Published on Attacks *[BORBA 25 Jun]* 66
Kucan Explains Remarks on Slovenia 67
Commentary on Anti-Slovene Attacks 70
Maribor Authorities Discuss Strikes *[POLITIKA 29 Jun]* 70
Zmaj Workers Protest at SFRY Assembly *[POLITIKA 18 Jun]* 71
    More on Protest *[BORBA 18 Jun]* 72
    Discussions Under Way *[BORBA 20 Jun]* 73
    Workers Meet Officials *[POLITIKA 23 Jun]* 73
    Employees, Press Cannot Speak *[BORBA 20 Jan]* 73
NIN Interviews Milosevic 1 Jul 74
Ambassador to Sweden Not To Be Recalled *[BORBA 25-26 Jun]* 75

PPR's Ciosek Addresses Berlin Conference

AU2906165388 Warsaw TRYBUNA LUDU in Polish 22 Jun 88 p 8

[Speech by Stanislaw Ciosek, Politburo candidate member, at the Berlin International Meeting for Nuclear Weapons-Free Zones—date not given]

[Text] The present international situation may cause a certain amount of optimism. Thanks to the Soviet-American dialogue that has been established in recent years, the tide of confrontation that overran detente has been halted. The great humanitarian idea of ridding mankind of mass-destruction weapons by the end of this century is receiving opportunities for realization and gaining increasing support among world opinion.

The problem of world peace occupies a central position in the foreign policy of People's Poland. Hence Poland's commitment to disarmament and the elimination of nuclear weapons. I wish to emphasize that our country's first proposal since World War II, presented at the UN General Assembly in January 1946, was on the subject of nuclear weapons.

From this major stream of Polish foreign policy emerged the concept of denuclearizing central Europe, known as the Rapacki Plan. Put forth in October 1957, this plan was incorporated in a Polish Government memorandum the following February.

Since then, 30 years have passed. The idea of ridding central Europe of nuclear weapons has still not become reality, though the idea of a nuclear-free zone has not disappeared from disarmament talks. In fact, it has become a permanent part of it. The Rapacki Plan became an inspiration for similar undertakings in other parts of Europe and the world, such as the Tlatelolco and Rarotanga treaties, or the ideas for nuclear-free zones in Scandinavia, the Balkans, Mediterranean, Africa, and Asia. One can also seek the origin of other disarmament accords in the Rapacki Plan.

So one can say with complete conviction that this plan has found a permanent place in the peace efforts of international society.

Of enormous significance to the modern world and the current disarmament dialogue was Mikhail Gorbachev's January 1986 program to slowly but surely bring about a world free of nuclear weapons on the basis of the concept of "new thinking" in international relations, which is meeting an increasing echo in the world.

Several weeks ago, the world monitored with the greatest attention another meeting between Mikhail Gorbachev and Ronald Reagan. The Moscow summit met the expectations of an enhancement and expansion of Soviet-American dialogue, especially concerning the roads taken by both great powers toward disarmament, permanent international security, and cooperation. East-West relations, of key importance for security and solving world problems, are entering a major new phase.

The first important steps have already been made in this direction in the form of the Washington treaty to eliminate an entire class of nuclear weapons, and the continuing Soviet-American dialogue on a 50 percent reduction of the strategic nuclear arsenals of both sides. These advances permit one to suppose with optimism that, although the disarmament tasks are not easy, they can be achieved if there is goodwill from the countries of the world.

My country is expressing such a will by taking an active part in perpetuating security and building international confidence. With this in mind, Wojciech Jaruzelski presented in May 1987 a plan to reduce armaments and increase confidence in central Europe. It involves transforming military potentials into strictly defensive mechanisms of building the foundations of a system of joint European security. This plan, known as the Jaruzelski Plan, suggests that suitable measures should also be applied to other spheres apart from conventional disarmament, military doctrines, and confidence-building, and speaks out in favor of a gradual reduction and then elimination of tactical nuclear weapons as a particularly dangerous part of military potentials which might be used to make a surprise attack. The openness of the plan, the readiness to cooperate with all relevant states, and the fact that the interests of each state are taken into account, permits one to be optimistic that the plan will be a specific contribution toward increasing confidence and cooperation between peoples and consolidating peace and security all over the world.

Poland is firmly in favor of a universal system of international security. Partial solutions, to be carried out in stages, are very important in achieving this objective. One of them, very important, is the formation of nuclear-free zones. Hence our complete support for regional disarmament initiatives aimed at creating nuclear-free zones, especially in the most sensitive parts of the world, especially Europe.

The successfully developing Soviet-American dialogue and the disarmament trends in East-West relations are presenting favorable chances for Europe. They must not be wasted by forcing through ways of "compensating for" or "modernizing" the armed forces. We should do everything we can to make disarmament a constant and irreversible process, guaranteeing the world's development without war or force. This is in the interest of society and our civilization.

NATO Unwilling To Accept 'Realistic Compromise'

LD3006154388 Prague CTK in English 1438 GMT 30 Jun 88

[Text] Vienna June 30 (CTK correspondent)—The 45th round of the discussions on the reduction of armed forces and armament in central Europe ended inconclusively today again because of the NATO states' unwillingness to accept a realistic compromise.

Head of the Czechoslovak delegation Ludek Handl stressed at today's plenary session that the Warsaw Treaty states explained their principled attitude to conventional disarmament in this round in the light of future all-European discussions. Their main aim is to reduce the two sides' military confrontation and military potential to a reasonable level necessary for defence, he stressed.

In connection with the effort to remove the threat of a sudden attack, the Czechoslovak ambassador underlined the Czechoslovak proposal submitted by General Secretary of the Czechoslovak Communist Party Milos Jakes for the creation of a zone of confidence, security and good neighbourly relations on the line dividing the Warsaw Treaty and NATO states.

The socialist states searched in the previous round for a realistic and balanced solution both to the contents of the discussed agreement, and to its verification, Ludek Handl said, adding that the situation at the Vienna discussions can be changed only on the basis of the two sides' mutual steps.

Officials Attend Spanish Embassy Reception

AU2506141388 Tirana ATA in English
0910 GMT 25 Jun 88

[Text] Tirana, June 25 (ATA)—The ambassador extraordinary and plenipotentiary of Spain to the People's Socialist Republic of Albania, Luis Cuervo, gave a reception on occasion of the official celebration of Spain.

Attending the reception were the minister of foreign trade, Shane Korbeci; the minister of education, Skender Gjinushi; the vice-minister of foreign affairs, Muhamet Kapllani; the director of the International Relations Study Institute, Prof Sofokli Lazri; the chairman of the executive committee of the Tirana District People's Council, Leandro Zoto; working people of science, culture, art, press and other invitees.

Likewise, attending were heads of diplomatic representations accredited to the People's Socialist Republic of Albania.

Foreign Ministry Delegation Returns From Sofia

AU2606183088 Tirana Domestic Service in Albanian
1800 GMT 26 Jun 88

[Text] The delegation of the Ministry of Foreign Affairs of the People's Socialist Republic of Albania headed by Sokrat Plaka, deputy minister of foreign affairs, that attended the meeting of representatives of the foreign ministries of Balkan countries held in Sofia, returned home today.

Yugoslav 'Revisionism' Instigated Bloc Deviations

AU2806095388 Tirana ATA in English
0730 GMT 28 Jun 88

["Forty Years of the Resolution of the Information Bureau on the Situation in the Fold of the CP of Yugoslavia"—ATA headline]

[Text] Tirana, June 28 (ATA)—Under the above title, the newspaper ZERI I POPULLIT carries today an article which says among others:

Forty years ago the Information Bureau of the Communist and Worker Parties examined the situation in the fold of the Communist Party of Yugoslavia [CPY]. The resolution adopted on this occasion put forth a principled criticism on the political and ideological line of this party, characterising it as a deviation from Marxism-Leninism, scientific socialism, and proletarian internationalism. It pointed out that the Communist Party of Yugoslavia had gone astray from the Marxist theory on the classes and the class struggle, the party of the working class and its leading role, that it had abandoned the spirit of international solidarity of the working people, had slipped in the positions of bourgeois nationalism and had embarked on the road of rapprochement with imperialism. The Information Bureau predicted that such an anti-Marxist orientation could lead to the bourgeois degeneration of the party and country. The resolution of the Information Bureau confirmed the just remarks made long ago to the leadership of the CPY on the part of the CP of the Soviet Union and Stalin. The analyses and criticism regarding the situation in the Communist Party of Yugoslavia at that time were of great importance for the development of socialism in other countries and the entire international Communist and worker movement. It discovered and identified the birth of a new phenomenon, of a new opportunist trend, modern revisionism.

Information Bureau's preoccupation was that the course being pursued by Yugoslavia had begun to put at stake the victories of the National-Liberation War, the power of the working class, the national equality and rights, the anti-imperialist orientation. Through its criticism it aimed to help the Yugoslav Communists eliminate the mistakes and march on the road of the revolution and socialism, for which the peoples of Yugoslavia had made many sacrifices and had shed much blood.

The importance of the resolution of the Information Bureau, the principles it defended and the forewarnings it made had not to do only with Yugoslavia. Their boundaries went farther. It drew the attention on the indispensability of loyalty towards Marxism-Leninism as a fundamental condition to safeguard the victories of the revolution and the successful building of socialism, on the necessity of waging the class struggle in the new post-war conditions and on enhancing the vigilance towards the denigrating and diversionist attacks of the bourgeoisie and imperialism.

The stand of the Information Bureau at that time was approved and backed by all the communist and worker parties of the world. Life itself, the course of events in this country proved the correctness of the analyses and conclusions of the resolution of the Inform-Bureau on the situation in the Communist Party of Yugoslavia. Suffice it to refer to facts known by all.

The whole system is in crisis in the economic and social, ideological and political, structural and national fields. Irreparable splits have been afflicted in the relations among the nations in various republics and regions of the Yugoslav Federation, which are inevitable consequence of the bourgeois nationalist course and the chauvinist policy.

Time also proved the correctness of the Inform-Bureau's warning on the danger that modern revisionism manifested in the Communist Party of Yugoslavia, posed to the other communist parties. Today, which this opportunist trend has assumed large proportions and has become dominant in the international communist and worker movement, we notice grave consequences caused by the underestimation and conciliation with the new revisionist variant of Yugoslav type.

The Party of Labour of Albania with Enver Hoxha at the head has waged a consistent and principled struggle against Yugoslav revisionism, the theories and practices of this opportunist trend. This struggle holds an important place in Comrade Enver Hoxha's thinking and activity, since the National-Liberation War to the end. Especially in the works "The Titoites", "Yugoslav Self-Administration Capitalist Theory and Practice", there has been made a profound critical analysis, scientifically substantiated regarding the political, economic, and social system of Yugoslavia. Comrade Enver Hoxha's predictions and conclusions have been fully proved. His contribution to the denunciation of Yugoslav revisionism has now been turned into a valuable lesson for the Marxist-Leninists.

The Soviet Union's great counterrevolutionary turn started precisely with the reconciliation with Yugoslav revisionism. It was Khrushchev the first, who quite arbitrarily, without consulting and without discussing this problems with the other parties, decided to turn down the conclusions and criticism of the Information Bureau, to make common cause with Titoism. The road pursued by Khrushchev was not only an immense encouragement for the Yugoslav revisionists, but also for all the opportunists and revisionists. The counterrevolutionary events in Poland, Hungary, Czechoslovakia had as ideological source the revisionist course launched in Yugoslavia and as instigation and support the decisions of the 20th Congress of the CP of the Soviet Union, where the platform of the new most dangerous variant, Khrushchevite revisionism, was sanctioned.

Khrushchev's line was further deepened by his follower Gorbachev, who during his visit to Yugoslavia this year attacked Stalin and Inform-Bureau. He not only proclaimed the complete ideological and political affinity with his hosts, but also described them as "brothers of the same blood."

The Chinese revisionists too, with their known vacillations marched on the road opened up by the Khrushchevites, without speaking of those Eurocommunists who were their ardent partisans.

Of decisive importance was the resolution of Inform-Bureau on the Party of Labour of Albania, on the future of the Albanian people. It afforded the possibility to understand sooner and more profoundly the political and ideological causes of those pressures, interferences and plots that the once Yugoslav leadership applied towards Albania, its freedom and independence, the people's power and the victories of the revolution. There existed the real danger of subjugating Albania, and of turning it into a 7th republic of the Yugoslav Federation. In order to realize this annexationist plan, Belgrade had long since exerted great economic, political, and military pressure on the Albanian state, brutally interfered in the home affairs of our party and government, had established illicit links with traitorous elements as Koci Xoxe and ilk, carried out a sabotaging and undermining activity in different sectors of the country's life. Incontestable facts and documents testify to this activity.

Now the Yugoslav press itself carries different materials, confirming the anti-Albanian aims of the Yugoslav leadership. Let us mention only one case. Less than a month ago the newspaper BORBA admitted that "The zeal displayed by Koci Xoxe, the number two of the party and state under Ambassador Georgia as well as the content of Koci's information to Rankovic, through Safet Filipovic, 'ambassador' of UDBA [abbreviation of former title of SFRY security services] under Koci in the years 1946-1948 resembled the reports sent by a chief of department to his minister." Likewise BORBA admits in these materials that "Our idea for Albania's unification with Yugoslavia was considered by the Albanians as an act against the national interests.... Therefore they received the resolution of Inform-Bureau as salvation." No one can say it more clearly.

The experience of our relations with Yugoslavia and the resolution of Information Bureau have helped our party to realize and combat since the very beginning different currents of modern revisionism and in the first place the Soviet one, which was the most threatening and dangerous.

The ideological struggle of Information Bureau against Yugoslav modern revisionism always preserves its great value. In the face of the new anticommunist campaign launched by the international bourgeoisie and modern revisionists of all hues, particularly Gorbachev with his perestroyka, the struggle of Marxist-Leninists and all genuine revolutionaries against it is today an imperative duty.

The Party of Labour of Albania, illuminated by the immortal teachings of Comrade Enver Hoxha, is consistently and resolutely waging this struggle and will continue to wage it, considering it as an indispensable condition for the triumph of Marxism-Leninism and socialism.

People's Assembly Discusses Transportation

AU2706161688 [Editorial Report] Tirana ZERI I POPULLIT in Albanian on 23 June on pages 2 and 3 carries a 900-word report on a speech by Besnik Bekteshi, AWP Central Committee Politburo member, delivered at the session of the People's Assembly in Tirana on 22 June, and 13 400-word reports on speeches by other deputies.

Bekteshi is reported as saying: "In implementation of the tasks set by the Ninth AWP Congress, priority will continue to be given in the Eighth 5-Year Plan and in the future to rail and domestic sea and lake transportation. Road transportation will be exploited better and more intensively, and will extend to the remotest parts of the country. Simple forms of transportation in enterprises and agricultural cooperatives will remain necessary and useful. The task that has been set of increasing the volume of freight movement by 30 percent by 1990 relies primarily upon the fullest use of the transportation capacities at our disposal." The paper also cites Bekteshi's demand for "tight labor discipline on the railroads," and his emphasis on "the tasks faced by garages and the engineering industry in improving the standards of maintenance and the efficient use of vehicles."

Deputy Lumturi Bajo's remarks on the need for "economy in the use of fuel and tires" are noted, as are those of Pandi Carapuli, director of the General Engineering Industry Directorate, who said: "This year and in the remaining 2 years of the 5-year plan, about 350 types of new automobile, ship, and railroad spare parts will be experimentally produced."

The paper adds that Shane Korbeci, minister of foreign trade, pointed out "some of the notable achievements in increasing the volume of trade which are closely tied to the growth and development of sea, rail, and road transportation. For example, 18 percent more freight passed through the coastal ports alone in 1987 compared with 1985, and this figure is expected to be 12 percent higher in 1988 as against last year." Korbeci continued: "Work is being completed at the port of Vlore on the necessary equipment to permit salt to be loaded onto ships of up to 3,000 tonnes. Along with work to hasten the construction of the eastern pier of the Enver Hoxha Port at Durres, there is a need to exploit the existing piers intensively to their full capacity. The growth in the volume of imports and exports and the speediest possible turnaround of ships also demand an expansion of container traffic and the gradual creation of a special wharf with the appropriate equipment, as well as further improvements in the structure of the sea-going merchant fleet."

Economic Progress Report for 19-25 Jun

AU2606144588 [Editorial Report] Tirana Domestic Service in Albanian in its transmissions between 19-25 June carries the following economic performance reports (time and date of transmission in parentheses):

Lushnje District: Twenty-three collectives report having prefulfilled their respective plans up to 20 June and the district as a whole has overfulfilled its industrial production plan by 13 million leks. (231800)

Tepelene District: The overall industrial production for the period up to 20 June was overfulfilled 3 percent. (251330)

Leaders' Public Appearances for 19-25 Jun

AU2606145588 [Editorial Report] Tirana Domestic Service in Albanian in its broadcasts between 19-25 June reports the following public appearances of Albanian leaders (time and date of broadcast in parentheses):

On 21 June, the following figures attended the opening of the third session of the 11th legislature of the People's Assembly of the People's Socialist Republic of Albania: Ramiz Alia, AWP Central Committee first secretary and chairman of Presidium of the People's Assembly of the People's Socialist Republic of Albania; Adil Carcani, AWP Central Committee Politburo member and chairman of the Council of Ministers of the People's Socialist Republic of Albania; AWP Central Committee Politburo members Besnik Bekteshi, Foto Cami, Hajredin Celiku, Hekuran Isai, Lenka Cuko, Manush Myftiu, Muho Asllani, Pali Miska, Prokop Murra, Rita Marko, and Simon Stefani; AWP Central Committee Politburo candidate members Kico Mustaqi, Llambi Gegprifti, Pirro Kondi, Qirjako Mihali, and Vangjel Cerrava. (1800 GMT 21 Jun) All aforementioned leaders also attended the closing session of the People's Assembly on 22 June. (1800 GMT 22 Jun)

Foto Cami, AWP Central Committee Politburo member and secretary; and Manush Myftiu, AWP Central Committee Politburo member and deputy chairman of the Council of Ministers, attended the funeral of actress Marie Logoreci in Tirana on 20 June. (1800 GMT 20 Jun)

Manush Myftiu also attended the funeral of painter Guri Madhi in Tirana on 19 June. (1800 GMT 20 Jun)

Gotsev Arrives in London, Talks With Howe

AU3006152888 Sofia BTA in English 1502 GMT 30 Jun 88

["Bulgaria, Britain Promote Relations"— BTA headline]

[Text] London, June 30 (BTA correspondent)— Sir Geoffrey Howe, Britain's secretary of state for foreign and commonwealth affairs, received Mr Lyuben Gotsev, deputy minister of foreign affairs of Bulgaria, who arrived here yesterday on a 6-day official visit at the invitation of the British Government. The visit comes within the framework of the consultations held regularly between the two countries' foreign ministries.

In a candid and friendly atmosphere, the sides emphasised that the last few years have seen the Anglo-Bulgarian dialogue become more vigorous and meaningful.

Sir Geoffrey Howe paid an official visit to Bulgaria in February 1985, and the Bulgarian Minister of Foreign Affairs, Mr Petur Mladenov, returned the visit to London in September 1987.

Today the diplomats discussed the prospects for a further upgrading of the political level of Anglo-Bulgarian relations to capitalize on the positive view which both sides take of them. Sir Geoffrey singled out the activation of trade and economic cooperation between Bulgaria and Britain. It was emphasised that this cooperation will receive a fresh impetus from the extension of its legal and contractual framework.

Sir Geoffrey Howe showed interest and was supplied with details on the wide-ranging social restructuring under way in Bulgaria, which boosts her value as an equal partner in the dialogue with the West and, in particular, with Britain, more specifically in the economic field.

The two diplomats assessed in positive terms the overall promotion of the East-West dialogue and of the CSCE process. The sides expressed the hope that the Vienna Follow-up Conference on Security and Cooperation in Europe will adopt a meaningful final document.

Mr Lyuben Gotsev stressed the special importance which Bulgaria attaches to the policy of Balkan good-neighbourliness and cooperation, which she invariably pursues. He pointed out that Bulgaria's policy line in the Balkans helps strengthen world peace, confidence and understanding.

The Bulgarian guest renewed the invitation from the Bulgarian Minister of Foreign Affairs, Mr Petur Mladenov, to the chief British diplomat to pay another visit to Bulgaria.

Aleksandrov Receives Romania's Dobrescu

AU3006200488 Sofia Domestic Service in Bulgarian 1900 GMT 30 Jun 88

[Text] Comrade Chudomir Aleksandrov received Miu Dobrescu, member of the Political Executive Committee of the RCP Central Committee and chairman of the Central Council of the General Union of Romanian Trade Unions, who is leader of the Romanian trade union delegation visiting Bulgaria.

Comrade Chudomir Aleksandrov briefed the Romanian guest on the deep restructuring processes that are being carried out in all fields of sociopolitical and economic life in Bulgaria. In the course of the talks, they touched on issues relating to the development of bilateral cooperation in different fields and the fulfillment of the accords reached between the chief party and state leaders of the two countries.

Announcement on TU Visit

AU3006141688 Sofia BTA in English 1310 GMT 30 Jun 88

["Bulgaria-Romania: Active Trade Union Ties"— BTA headline]

[Text] Sofia, June 30 (BTA)— The talks held here between the trade union leaders of Bulgaria and Romania will help the furtherance of cooperation between the workers in the two countries and the strengthening of the friendship between the two peoples. This is stressed in an announcement on the visit of a delegation led by Mr Miu Dobrescu, member of the Political Executive Committee of the Central Committee of the Romanian Communist Party and chairman of the Central Council of Romania's General Trade Union Confederation. The Bulgarian delegation to the talks was headed by Mr Petur Dyulgerov, alternate member of the Politburo of the CC of the BCP and president of the Central Council of the Bulgarian Trade Unions.

The sides discussed the work of the trade unions in fulfillment of the resolution of the respective communist party congresses, their place and role at this stage of socialist construction. The sides expressed their determination to persevere in strengthening and promoting the cooperation between the trade union bodies and organisations at all levels in the spirit of the common understanding between the two countries' party leaders and heads of state, Mr Todor Zhivkov and Mr Nicolae Ceausescu.

The two trade union amalgamations can contribute still more actively to the promotion of bilateral relations in economics, environmental protection and other fields.

The sides reiterated the need to strengthen the unity of action of the international trade union movement and to involve it still more actively in the struggle for peace and nuclear disarmament. An emphasis was laid on the significance of the realization of the suggestions advanced by

Bulgaria and Romania for turning the Balkans into a nuclear- and chemical-weapon-free zone, into a region of cooperation and good-neighbourliness. The announcement stresses the importance of the forthcoming meeting of Balkan trade union leaders in Belgrade.

Tsanov, Delegation Visit GDR 27-30 Jun

AU3006182388 Sofia BTA in English
1739 GMT 30 Jun 88

[Text] Berlin, June 30 (BTA correspondent)— At the invitation of the Central Committee of the Socialist Unity Party of Germany (SED), Mr Vasil Tsanov, secretary of the CC of the BCP, led a delegation of the Bulgarian Communist Party on a visit to German Democratic Republic from June 27 through 30, 1988. In talks with members of the GDR party and state leadership and with heads of research institutes and cooperative farms, the Bulgarian guests were familiarised with the intensification of agriculture in the GDR.

They were also briefed on the GDR experience in the electronization of agricultural production, on the introduction of new technologies and on the close integration of research and development with production.

At a meeting of Mr Erich Honecker, secretary general of the CC of the SED and chairman of the GDR Council of State, with Mr Vasil Tsanov, it was emphasised that the constructive exchange of experience in agricultural policy is in the spirit of the common understanding between the party leaders and heads of state of the GDR and Bulgaria of September 1987 and serves the upgrading of cooperation between the two parties to a qualitatively new level.

Dunayev, Cosmonauts Hold News Conference

AU3006190388 Soia BTA in English
1828 GMT 30 Jun 88

[Text] Sofia, June 30 (BTA)— "A qualitatively new stage in the joint work of Bulgarian and Soviet organisations on space exploration. All Bulgarian-made systems functioned flawlessly, and all experiments were carried out": That is how Mr Aleksandr Dunayev, head of the Soviet Space Agency Glavkosmos, described the second Bulgaro-Soviet space mission (June 7-17).

Speaking at a news conference which he attended together with the members of the Bulgaro-Soviet crew and their backups (who arrived here earlier today), Mr Dunayev said that Bulgaria can successfully take part in the new stage of manned space programmes. The nine systems of instruments designed here, which use the last word in science and technology, are praiseworthy for their efficiency and for the research significance of the experiments conducted with them.

Mission commander Anatoliy Solovyev said that the Bulgarian instruments did a very good job. They were ergonomic and user-friendly. He hopes that the instruments will go on functioning on board the "Mir" Space Station. The next crews who fly to the station during the year: A Soviet-Afghan and a Soviet-French one, will probably work with them, too. Mr Solovyev expects that Bulgarian scientists will come up with other highly efficient space systems, too.

The Bulgarian cosmonaut Aleksandur Aleksandrov, who, apart from piloting, is engaged in research work at the Bulgarian Academy of Sciences' Space Research Institute, said that the successful mission was preceded by prolonged and persevering efforts of the country's scientific community, of thousands of experts. As a result, such systems as "Rozhen" (for astrophysical observations) and "Spectrum 256" (for spectrometry) made their way into outer space. In Mr Aleksandrov's view, the systems and above all the microprocessor equipment that went into them were evidence that cosmonauts will no longer be just carrying out commands from the ground, that they could be creative in their own way. A number of the instruments used on board give the researchers an instant feedback on the tests, and they can decide rightaway how to proceed with them.

On Wednesday morning, cosmonauts Anatoliy Solovyev, Viktor Savinykh and Aleksandur Aleksandrov and their backups were cordially welcomed at Sofia airport.

Draft Resolution on Education Released

AU2606140588 Sofia BTA in English
1216 GMT 25 Jun 88

["On the Reform of Education"—BTA headline]

[Text] Sofia, June 25 (BTA)—A Draft Resolution of the forthcoming Plenum of the CC of the BCP on Restructuring of the Intellectual Sphere entitled "For an Ongoing Reform of the System of Education" has been released today for nationwide discussion. Similar drafts have already been published on restructuring in science and the arts.

Bulgaria went ahead with her educational system reform in 1979, when the CC of the BCP voted special resolutions on the matter at its plenum. These resolutions were later specified at other plenary meetings of the CC of the BCP in 1985 and 1986. That is why, the point now is not to start another reform but rather to carry on the reorganization underway and bring education into line with the new requirements. The idea of this reform, which has been elaborated and implemented for several years now, is to help education keep pace with the revolution in science and technology. What matters most is to narrow the differences between the vocational and the academic divisions of the system so that they could gradually merge.

The Draft Resolution, which has been published now, points out that all Bulgarian children already begin their formal schooling at the age of six, and that the system has completed its nine-year transition to this change. The new system of integrated polytechnical secondary education is in the process of establishment, and the operation of the vocational high schools is being improved.

At the same time, the Draft Resolution of the BCP CC Plenum says that the educational reform is running into objective and subjective difficulties. That is why, a number of measures are being taken to radicalize the restructuring of education.

One important reasons for this is the fundamentally new education and training options, career opportunities and steady professional growth and intellectual cultivation prospects which open up with the progressing democratization of society. The promotion of self-government adds a new aspect to open problems of planning the country's needs of personnel, the training and efficient employment of high-school graduates and university degree holders.

The draft says that the strategic objective of the Bulgarian system of education will remain to develop fully the abilities of all-round individuals for their own benefit and that of society. The realities and the new tendencies in the advancement of culture, science, and technology require new higher standards of training and education. What is needed is high-class cultivation of the mind, wide-ranging general knowledge, high level professionalism, heightened socialist consciousness, and maximum efficiency of personnel employment, says the draft resolution of the plenum of the CC of the BCP.

The experience of the microprocessor system economic corporation is held up as a positive example of integration of science, production, and personnel training. The corporation has set up a training and technological center which provides a proficiency in general education and extensive general knowledge, courses in Russian and in English, French or German, and in-service occupational training. The trainees are exposed to computer-aided instruction from their first day at the center.

The time is ripe to introduce universal, secondary education, the draft says. At this stage, the minimum school-leaving age is 15 in Bulgaria.

It is furthermore indicated that the condition should be created for universal pre-school education, and particularly for the enrollment of all children of ages 5 and 6 in nursery schools.

The new system of secondary education should have a strong polytechnical element, it should provide sound academic schooling, general knowledge and professional skills which should prepare the pupils for a full life and should give them the groundwork to pursue further their studies, the draft says.

It is indicated that pupils should no longer be overburdened with lessons, classes and formal functions. Unnecessary subjects and the superfluous content should be dropped from the curriculum. Discussions should be widely used in the process of instruction as a method of learning.

Professional training should be a cornerstone in building the new system of education, the draft says. Using the experience that has already been amassed in this respect, the practical provisions that have proved unfeasible should be discarded and new ones should be introduced to match the peculiarities of the occupations for which training is offered at the integrated secondary polytechnical schools.

The draft pays special attention to the role of teachers in the reform. It is recommended that the Council of Ministers provide incentives and motivation to teachers and make arrangements for their adequate training, living and working conditions, recreation and health care. It is recommended to establish an efficient system of occupational guidance and selection of suitable young people for the teaching profession, so as to improve dramatically the quality of the teaching staff and to reverse the tendency of teaching becoming an all-female job.

The institutes of higher learning will be establishing themselves as efficient education-and-research complexes, capable of reacting swiftly to the changing needs of personnel. Higher education should open up to material production, science, and culture. The process of instruction should be revised to encourage students to study independently before and after their graduation.

Incentives should be provided to raise the quality of student training. For instance, the current system of grants should be replaced by allowances on credit repayable under a contract signed by the beneficiary and a self-managing economic organization.

It is suggested to introduce a system of tutorial classes in higher education.

The admission procedures for institutes of higher learning need improvement and democratization.

It is recommended that the Council of Ministers approve a special document on school construction and on speeding up the building of educational facilities.

With a view to improving the standards of schooling, it is suggested to adopt new, unconventional forms of training and continuing education. For instance, schools and colleges could provide wider part-time educational opportunities. A procedure should be introduced to allow non-residential students to sit for highschool and university examinations. It is likewise suggested that applicants for admission to higher educational establishments, who pass their competitive entrance examinations but may not enroll in some institutes of higher learning, could be allowed to prepare independently and sit for the first-year exams and, if they pass them, they could be admitted as from the second year.

The draft examines in detail the opportunities for a further democratization of education. The Congress of National Education will continue to be the supreme body of self-management in this field. The state will be determining the strategy of educational development and personnel training and will be providing organizational, economic, and other conditions for the attainment of goals in this field.

More on Federal Assembly Deputies Talks in U.S.

LD3006094288 Prague CTK in English 0825 GMT 30 Jun 88

[Text] New York June 30 (CTK correspondent)—A Czechoslovak Federal Assembly delegation led by Deputy Chairman Bohuslav Kucera arrived here from Washington last night.

The delegation, comprising Foreign Affairs Committee Chairman of the House of the People Miroslav Stepan and chairman of the Defence and Security Committee of the House of Nations Richard Nejezchlebn, has been visiting the USA since Sunday. Later in the day the group is expected to meet with U.N. Secretary-General Javier Perez de Cuellar and leave for home on Friday.

In Washington yesterday, the Czechoslovak deputies met with Senators Paul Simon and Ted Stevens to discuss ways of expanding relations in all spheres. The Czechoslovak deputies pointed out U.S. discrimination against Czechoslovakia in the economic and trade spheres as the USA refuses to grant Czechoslovakia most-favoured nation status.

Czechoslovak-U.S. relations and ways of improving them were on the agenda of talks with U.S. Presidential Adviser for Soviet and East European affairs Nelson Ledsky.

The presidential adviser expressed interest in stepping up the dialogue between Czechoslovakia and the USA. He also said that arms control must go hand in hand with overall detente in the world, progress in solving regional problems and with the implementation of the Helsinki Final Act in the human rights sphere.

The Czechoslovak deputies discussed Czechoslovak-U.S. relations also with Assistant Secretary of State for European and Canadian affairs Rozanne Ridgway who stressed the importance attached by the USA to the human rights issues in developing relations with Czechoslovakia and the other socialist countries.

The two sides called for the expansion of exchange visits between the parliaments of the two countries, and Czechoslovak deputies said this would help the U.S. public to get more objective information about Czechoslovakia. The deputies also informed the U.S. representatives about the course of the process of restructuring and democratization in Czechoslovakia.

Joint Communique With PLO Issued

LD2907212088 Prague CTK in English 1809 GMT 29 Jun 88

["Excerpts from Communiqie on PLO Leader's Visit to Czechoslovakia"—CTK headline]

[Text] Prague June 29 (CTK)—Czechoslovakia and the Palestine Liberation Organization today called for practical political steps towards a speedy convocation of an international conference on the Middle East under U.N. auspices.

In a communique issued at the close of an official friendly visit to Czechoslovakia by PLO Executive Committee Chairman Yasir 'Arafat the Czechoslovak side expressed its resolute support for the heroic uprising of the Palestinian people on the occupied territories.

Both sides pointed out that the attempts of the Israeli Government to suppress the resistance of the Palestinian people pose a great danger and resolutely condemned Israel's brutal terrorist methods.

Both sides consider the withdrawal of Israel from all Palestinian and Arab lands occupied since 1967, the granting of the right to self-determination to the Palestinians and the right to return and to establish their own state the basic prerequisite for settling the Middle East conflict. In this connection the two sides agreed that the U.S. proposals for settling the situation in the Middle East constitute an improper basis for a settlement, the communique said.

The Czechoslovak and PLO sides positively assessed the conclusions of the special Arab League summit in Algiers, especially the restoration of the joint Arab stand on the PLO and Palestinians, the communique further said.

Dealing with the Iraq-Iran conflict, the two sides expressed serious concern over the continuing war in the region, threatening not only security and stability in the Persian Gulf but also peace all over the world.

The two sides resolutely supported the sovereignty, independence and territorial integrity of Lebanon and stated that the bloodshed in Palestinian camps in Lebanon is in contradiction with the intersts of the Arab nations, the communique said.

Speaking of the situation in Latin America, the two sides expressed concern over the developments in Central America and the Caribbean region. In this connection they appreciated the constructive approach of the Nicaraguan Government which resolutely fulfils the Guatemala agreements.

Both sides expressed support for a speedy settlement of the situation around Kampuchea by way of national reconciliation.

They resolutely condemned the apartheid regime in the South African Republic which has been escalating its brutality and continuing to occupy Namibia. They expressed solidarity with the struggle waged by the African National Congress and SWAPO and called for an immediate granting of independence to Namibia.

The Czechoslovak side decided to give to the head of the PLO office in Czechoslovakia the accreditation of ambassador. Yasir 'Arafat appreciated this step as a confirmation of Czechoslovakia's principled approach to the just struggle of the Palestinian people, the communique stated.

In the communique the two sides expressed the conviction that, despite a number of problems, positive changes in the international development will strengthen and the disarmament process will develop dynamically and become irreversible.

Czechoslovak Communist Party General Secretary Milos Jakes and PLO leader Yasir 'Arafat highly praised the ratification of the INF Treaty and voiced support for the continuation of the disarmament process, especially for an early conclusion of a treaty halving Soviet and U.S. strategic offensive weapons, the communique said.

Yasir 'Arafat expressed support for the Czechoslovak initiative aimed at the establishment of a zone of confidence, cooperation and good neighbourly relations on the line dividing the Warsaw Treaty and NATO states.

More on Austria's Vranitzky-Led Delegation Visit

Strougal Dinner Toast

AU0107065688 Prague RUDE PRAVO in Czech 28 Jun 88 pp 1, 7

[CTK/zr report: "Czechoslovak-Austrian Dialogue; Austrian Chancellor Franz Vranitzky Received by CSSR President and CPCZ Central Committee General Secretary; the Government Heads Discuss a Broad Range of Issues Involving Czechoslovak-Austrian Cooperation"]

[Excerpts] Prague—Milos Jakes, CPCZ Central Committee general secretary, on Monday [27 June] received Franz Vranitzky, federal chancellor of the Republic of Austria and chairman of the Socialist Party of Austria (SPOe), who has been in the CSSR on an official visit since Sunday [26 Jun]. The Austrian guest also paid a visit to CSSR President Gustav Husak and conducted negotiations with CSSR Premier Lubomir Strougal. The same day, the Austrian chancellor paid several other visits. During the festive dinner in the evening of that day, the two heads of government delivered speeches. [passage omitted]

The official dinner given by CSSR Premier Lubomir Strougal in honor of Franz Vranitzky, federal chancellor of the Republic of Austria, was held in Cernin Palace in Prague.

It was also attended by Rudolf Rohlicek, first CSSR deputy premier; by Matej Lucan, Jaromir Obzina, and Svatopluk Potac, CSSR deputy premiers; by federal government ministers; and by other representatives of our political and public life.

Among those present were Marilies Flemming, federal minister for youth, family affairs, and environmental protection; Josef Ratzenboeck, provincial governor for Upper Austria; Helmut Zilk, provincial governor of Vienna and mayor of Vienna; Johann Sipoetz, provincial governor of Burgenland; Ervin Proell, deputy provincial governor of Lower Austria; and other members of Franz Vranitzky's entourage.

The dinner was attended by Marek Venuta and Karl Peterlik, ambassadors of the two states.

In the course of the evening, Lubomir Strougal and Franz Vranitzky delivered speeches. [passage omitted]

From L. Strougal's Speech [subhead]

Lubomir Strougal began by stressing the wish to elevate and expand the principles of good-neighborly relations; to follow up on all the better, vigorous, and irreversible results of the long historical development of our two countries and states, and to cooperate in the spirit of the philosophy of a united European home, particularly here in the heart of the old continent, where we are fated to live.

Be welcome among us; I would like to believe that here you will feel as good as Wolfgang Amadeus Mozart and Oskar Kokoschka used to feel—those great Austrians, whom the citizens of Prague particularly took to their hearts, the CSSR premier said (adding that this is true to this very day). He then continued:

At the very beginning, I would like to say that the Czechoslovak Government appreciates the bilateral goodwill to live in friendship and to cooperate for the benefit of our countries; and that the principle of good-neighborly relations is not a mere slogan for us, but an instruction to act. The government declaration adopted at the May session of our Federal Assembly was held in the same spirit. At the same time, we trust that in the future the qualitative change in and stability of our relations will not be disrupted by any partial problems which could logically ensue from such a broad cooperation, from such a long common border. After all, even a harmonious family cannot avoid conflicts; so how can this not apply to states which did not choose their neighbors, but were given them by history? It is therefore left to the governments of the two countries to establish an appropriate political climate, and to act promptly for the benefit of coexistence on our border, so that this border should become a border of peace for all times.

The list of positive acts during recent years is a long one: We are conducting a useful political dialogue; not only are our foreign and trade ministers holding meetings, but also our ministers of interior and defense; the parliaments of our two countries are well-acquainted, and are exchanging experience; the same applies to social organizations, and also to neighboring regions and provinces. I would like to use the present opportunity to express my personal gratitude to Provincial Governors Ratzenboeck, Ludwig, and Sippoetz, and to Mr Zilk, mayor of Vienna, for their acts of cooperation and their efforts to promote an energetic border dialogue. I could continue in this vein for a long time; the list of successful achievements also includes our agreement on providing each other with data on nuclear power plant operations (we have decided to continue discussing and supplementing this) and the first steps toward cooperation in environmental issues.

Of course, we still have lots of things to do. The exchange in the field of culture and arts (although it might seem considerable at first glance) leaves much to be desired in view of the traditions that link our nations, and is still limited only to music and the graphic arts. The cooperation agreement between the Charles and the Vienna Universities is only the first swallow which merely heralds the spring. In this context, I would like to recall what a lot we still expect of the humanitarian sciences; this primarily applies to historians, who have not even begun to discuss the common periods of our history. This year Czechoslovakia will be recalling the 70th anniversary of its independence in modern history—an anniversary which is extremely significant for our peoples, but also one which is directly linked with the end of the great central European empire in which we jointly lived for 300 years. Let the historians discuss these obviously sensitive issues in a frank way.

Permit me to add at least a few words about our mutual economic relations. Austria is a big partner for us, our second biggest partner among the Western countries. To tell the truth, it is a well-proven, reliable partner, particularly with regard to the deliveries of technology. This will also surely be the case in the future. Nevertheless, I dare say that we are not making proper use of our historical tradition of industrial cooperation, of the possibilities offered by our situation as geographical neighbors, or of the ability of our economies to complement each other. We are generally lagging in all modern forms of mutual relations, because the fewer than 30 existing cooperation agreements are making only a minimum contribution to our trade turnover; the four joint enterprises are also merely an indication of where our paths should take us in the future; and I will not even mention the total absence of joint projects for third markets. That is why I am sure that we have a difficult period before us, since the time has come to change both the content and the forms of economic cooperation—and to do this radically. If we succeed in this, we will be able to strikingly increase the turnover and make our cooperation an example for others.

Our negotiations in Prague are accompanied by increased hopes that the world can turn peace into a lasting and irreversible reality. The conviction has grown immensely that war, and particularly nuclear war, is a thing of the past and must be excluded from the solution of interstate conflicts, since its outbreak would lead to such a catastrophe that the living would envy the dead. That is why we have heartily welcomed the Treaty on the Elimination of Intermediate- and Shorter-Range Missiles concluded last year, and also this year's results of what was already the fourth meeting of top USSR and U.S. representatives. We trust that these first steps toward disarmament (particularly nuclear disarmament) will continue, and that during the present century we will get rid of the threats that give people sleepless nights.

We want to make an appropriate contribution to these vitally important efforts, both within the framework of the socialist community, and as an independent entity in international politics. Because, in fact, we proceed from the principle of the common and simultaneously individual responsibility of every state and government for the policy of trust, coexistence, and cooperation on our entire planet. That is why we, as a central European country, have come up with the initiative to create in our region zones free of nuclear and chemical weapons, and recently submitted the universal project for cooperation along the line of contact between the Warsaw Pact and NATO states. It must be said that we hold your appreciation and support for these proposals in high esteem.

We are also greatly interested in an encouraging, orderly adjustment of the situation throughout Europe. That is why we are promoting the accelerated conclusion of the follow-up meeting in Vienna and the adoption of a final document which would be in keeping with the times and which would lead to disarmament, and fruitful cooperation in every respect. In this context, we are offering Prague as the venue and host of the European economic forum—as proof of Czechoslovakia's goodwill to take the path of practical, active cooperation. I have every reason to believe that the central European states should provide an example of coexistence (despite their different social systems); that is also why I have high hopes for all that we are planning to do hand in hand with the Republic of Austria.

The time has come not only to talk about new ways of thinking, but always to act so as to build confidence and change the quality of relations, while fully respecting state sovereignty; to act as good Europeans, as people raised in a humanitarian civilization and filled with enthusiasm for peace, good-neighborly relations, and useful cooperation in every respect. Today we are laying firm foundations for this course of goodwill, and looking into the future with optimism.

Delegation Meets With Dissidents

AU3006140688 Vienna WIENER ZEITUNG in German 30 Jun 88 p 3

[Excerpt] At the periphery of Chancellor Vranitzky's official visit to the CSSR, there was a meeting between regime critics and members of the Austrian delegation. Moreover, Vranitzky expressed Austrian concern regarding human rights questions toward the CSSR Government chief Strougal.

The talks of Eva Novotny, the chancellor's foreign affairs adviser, and Erich N. Schmid, head of the political section in the Foreign Ministry, with the regime critics, most of whom were "Charter 77" members, lasted for some 2 hours.

Among the interlocutors were prominent dissidents such as Vaclav Havel, Jiri Hajek and Bohumir Janat. They welcomed the processes which have been initiated in several East Bloc countries, but pointed out that these developments had not had any effects on "Charter 77" so far. Regime critics are still considered as "people of the underground" operating "illegally," they declared.

According to Novotny the regime critics stressed the absolute need for continuation of the Western committment for compliance with human rights. They expressed particular gratitude to Austria for its support of the dissidents so far, she said.

Vranitzky and his delegation returned from their visit late on Tuesday [28 June] night. Before his departure, the chancellor had met with Ignac Janak, first secretary of the Slovak Communist Party, and other leading Slovak Government figures in Bratislava. [passage omitted].

CEMA - EEC Economic Cooperation Viewed

AU2906150588 Prague RUDE PRAVO in Czech 27 Jun 88 p 6

[Article by Josef Nyvlt, RUDE PRAVO special correspondent in Luxembourg, in the "We Comment" column: "Open Opportunities"]

[Text] A long stage in the relations between CEMA and the EEC has ended with the signing of a joint declaration on the establishment of official relations between the two economic organizations. A new stage has begun. The possibility of a new quality in mutual relations has opened within this crucial point.

Let us recall that the very complex negotiations on the recognition of nascent political and economic realities in the relations between the two communities lasted 15 years. The ballast of mistrust, distorted notions, and stereotypes, which was the obstacle to seeking common solutions, endured for a long time on both sides—also as a part of the "cold war" legacy.

Such ballast cannot be eliminated immediately. In the past years, capitalist states created an extensive system of artificial barriers to economic relations with the socialist countries—beginning with various restrictions, regulations, quotas, permits, and so forth, all the way to discriminatory measures applied in a differentiated manner to imports from individual countries. Capitalist countries are also trying to exploit exports to assert their political objectives—beginning with the granting of credits, the fixing of interest rates, all the way to the institution called the Coordinating Committee for Multilateral Export Controls (COCOM)—a system of bans and restrictions which has persevered since 1949 under the dictate and in the narrow interest of the United States.

A part of these distorted and impaired relations also comprised an unwillingness, the seeking of pretexts and, above all, the lack of good political will to establish official relations between the EEC and CEMA. After the mutual contacts collapse in the 1973-81 period, which was accompanied by stagnation and later even by a marked drop in mutual trade, the second stage of negotiations began in 1984-85, a stage which was distinctly inspired by the initiative of the Soviet representatives and Mikhail Gorbachev personally. (It was no coincidence that the representatives of the two communities recalled his words about a common European home when signing the joint declaration in Luxembourg on Saturday.)

In the end, the process of seeking common solutions resulted on 25 June 1988 in the signing of the agreement which, through its concentrated content, creates a broad framework for possible relations.

The agreement is an important document, which proceeds from the recognition of realities and the awareness that comprehensive relations and cooperation are a contribution to the strengthening of peace, security, and trust on the European continent.

The signing has paved the way for the establishment of diplomatic relations between the EC and the individual CEMA member states. Czechoslovakia, the Soviet Union, Bulgaria, and the GDR have officially expressed their preparedness to establish these relations. The negotiations between Czechoslovakia and the EEC on trade in industrial products have made marked progress, as have the negotiations between Hungary and the EEC on a trade and economic cooperation agreement. Romania, too, conducts negotiations on an identical agreement. The USSR, the People's Republic of Bulgaria, the FRG, and Poland too are interested in concluding extensive agreements.

An opportunity has arisen for genuine European cooperation to resolve the problems of the entire continent. As was stressed during the signing, these problems entail, for example, environmental protection, power engineering, transportation, and such like. The convergence of and cooperation in the tasks of the Comprehensive Program for the Scientific and Technical Cooperation of the CEMA Countries Through the Year 2000 and the West European Eureka program have also become more tangible.

Problems connected with product standardization and unification are of topical importance for mutual trade and economic cooperation. The economic reforms in the CEMA countries significantly contribute to increasing the possibilities for joint ventures. In the CEMA countries today capitalist companies participate in some 200 enterprises. Experts envisage a mild growth in the sphere of the goods exchange between CEMA and the EEC this year.

The signing of the joint declaration between CEMA and the EEC is a stride into a new stage, the beginning of new initiatives, the opening up of new opportunities. However, the path from opportunity to reality will not be easy. Realism and good political will are among its prerequisites. What the European home will look like in the near as well as the distant future will depend on concrete positive steps in the political and economic spheres.

Janak Speaks at Peace, USSR Friendship Rally

AU0107205988 Bratislava PRAVDA in Slovak
27 Jun 88 pp 1, 2

[Report on speech by Ignac Janak, CPCZ Central Committee Presidium member and first secretary of the CPSL Central Committee, at a "celebration of peace and Czechoslovak-Soviet friendship" in Bojnice on 25 June]

[Excerpt] [Passage omitted] Everywhere we must step up the struggle for effectiveness and quality, better valorization [zhodnocovanie] of materials and energy, and a bolder assertion of scientific-technical progress. We must stimulate creative initiative, exemplary behavior, and increase the demands on ourselves and others. We must assimilate new methods, wage an irreconcilable struggle against violations of the principles of socialist legality, ethics, discipline, and egalitarianism. I stress this in particular, because we are not successful in everything we do. We cannot be satisfied with the fact that the tasks of the Eighth 5-Year Plan are not being comprehensively implemented, and that the obstacles in the way of the acceleration of our economic and social life are being eliminated only slowly. This is why we put such stress on restructuring. This process is not and will not be simple. Not everyone comprehends and supports it. There are quite a few people who have got used to living comfortably, they like to ride along without expending much effort. And there are also people who would like to foil what we are doing, what we are striving for. We unambiguously stress that we will proceed uncompromisingly against those who would like to foist upon us their idea of restructuring and democratization, founded on the elimination of the leading role of the Communist Party, against those who would like to restore Slovak clericalist fascism and nationalism. We will not permit them to subvert the foundations of socialism in our fatherland. [passage omitted]

CPCZ's Kempny Addresses Youth Meeting

LD2606144288 Prague CTK in English
1322 GMT 26 Jun 88

[Text] Prague June 26 (CTK)—The Czechoslovak Communist Party and state bodies together with the Socialist Youth Union have been seeking and gradually finding ways of guaranteeing more certainties to young people, of overcoming problems, Czechoslovak party and state official Josef Kempny said at Susice, West Bohemia, yesterday.

Addressing the 22nd national meeting of youth in the Sumava, which ended in Susice last night, Czechoslovak Communist Party Presidium member and chairman of the Czech National Council Josef Kempny further said that the Czechoslovak state and Communist Party bodies proceed from the fact that the best guarantee for the future is the attentive relation to the young generation, its needs, wishes and life perspectives.

He further recalled that the strengthening of peace is a prerequisite for the successful fulfilment of demanding tasks.

The meeting was also attended by more than 80 foreign participants in an international peace seminar dealing with the question of strengthening the anti-nuclear youth coalition.

The participants in the meeting adopted a resolution saying that "despite the favourable development of U.S.-Soviet relations, the aggressiveness of reactionary, militaristic forces of world imperialism causing various problems, prove that one cannot be an uncommitted observer in the struggle for the maintenance of peace and in disarmament efforts. In cooperation with the fraternal youth organizations in the socialist countries, all progressive youth organizations and peace movements all over the world we wish to actively participate int the struggle for peace and against the danger of a nuclear war. We fully support the initiative of the Czechoslovak Communist Party aimed at the creation of a zone of confidence on the line dividing the Warsaw Treaty and NATO states."

An international seminar on nuclear disarmament, held within the 22nd national meeting of youth in the Sumava and attended by nearly 100 young people from 24 countires of Europe, Japan, Canada and USA, ended in Susice today.

Representatives of youth organizations with different political, ideological and religious orientation agreed talks on nuclear disarmament are not today the only road towards deepening mutual understanding. At present, the so-called non-military aspects of security are getting in the centre of attention, including economic cooperation and the solution of problems of environmental protection. The international seminar expressed support for the Czechoslovak initiative aimed at the creation of a zone of confidence, cooperation and good neighbourly relations on the line dividing the Warsaw Treaty and NATO states.

The seminar also expressed support for the proposal of the World Federation of Democratic Youth to form an antinuclear youth coalition. In this connection, the U.S. representatives raised the demand to be allowed to join in the activities developed by youth and students organizations in Europe.

The international seminar in Susice was one of the three regional events organized this year by the World Federation of Democratic Youth within actions against nuclear armament.

Non-Proliferation Treaty Anniversary Noted

LD3006135988 Prague CTK in English
0920 GMT 30 Jun 88

[Text] Prague June 30 (CTK)—The nuclear non-proliferation treaty, which was signed 20 years ago on July 1 and which has been joined by 136 states, significantly helps stabilize international relations and serves as an important barrier against the spread of nuclear weapons, Czechoslovak Foreign Ministry Spokesman Dusan Rovensky said in a statement issued today.

Czechoslovakia has been the treaty's signatory since its very beginning. On all international forums and along bilateral as well as multilateral lines, Czechoslovakia has always worked for strengthening the authority of the treaty and for its full universalization.

Czechoslovakia calls on all states who have not yet joined the treaty to sign and ratify it.

Interview With Prague Party Leader Stepan

AU0107072188 Prague RUDE PRAVO in Czech
28 Jun 88 p 3

[Interview with Miroslav Stepan, member of the CPCZ Central Committee Secretariat and leading secretary of the Prague City CPCZ Committee, by Nada Adamickova and Vitezslav Havlicek: "Only Deeds Will Decide; Prague Party Organization After the City Conference;" date and place of interview not given; opening paragraph is RUDE PRAVO introduction]

[Text] At its city conference [on 14 and 15 May], the Prague party organization laid down as its basic political goal the creation in the capital of optimal conditions for economic reform and social restructuring. We have asked Comrade Miroslav Stepan, member of the CPCZ Central Committee Secretariat and leading secretary of the Prague City CPCZ Committee, for an assessment of the initial steps taken after the conference.

[Adamickova, Havlicek] To what extent have the conclusions of the conference begun to make themselves felt in practical life?

[Stepan] Many party organizations have come to realize that restructuring does not need written endorsement in statements, but a completely new level of independence, political foresight, and the ability to look at the world around oneself and its complicated development with new eyes. But we encounter almost just as often dilatoriness, various speculations concerning the reform, attempts to obfuscate the true causes of accumulated problems, cheap excuses for serious mistakes, and the like.

Some people, and this holds true also for many a party functionary, simply fear changes, they are afraid of the tasks outlined by the seventh and, in particular, the ninth session of the CPCZ Central Committee, they are afraid of the democratization of life in the party and in society, of the public rendering of accounts, of everything that should make us stronger and permit us to open a wholly new stage in the development of society.

[Adamickova, Havlicek] What is the source of these fears?

[Stepan] The fear that one's seemingly advantageous peace may be disturbed. It is also for this reason that at the city conference we decided, metaphorically speaking, to set the party in motion, to move toward a responsible, calm, but open dialogue with all honest people of Prague, in short, to wage a struggle for a completely new level of trust and cooperation.

[Adamickova, Havlicek] Are fears of a certain recurrence of the critical development also making themselves heard?

[Stepan] Each crisis, and all the more so a political crisis, has its main causes. We know well, and the document "Lessons" demonstrates it, that the crisis of the late sixties had its roots in the inability of the then party leadership to respond in good time, specifically, and conceptually to complex issues.

The analyses that we prepared before the city conference and on which we continue to work show us that, quite to the contrary, a continuation in Prague of developments thus far, a continuation of the extensive growth of old industrial structures and the further toleration of disruptions of the environment, would result in the evolution of grievous phenomena.

[Adamickova, Havlicek] The city conference laid down the task of updating the development plans of the capital and indicated that Prague would like to abandon some of its traditional features and transfer more people from its extensive industry into the sphere of services. Will this not give rise to concern about the fate of industrial plants?

[Stepan] Naturally, we are not out to liquidate the Prague industry. But even today's resources, especially in terms of qualified labor force and built-up space, are sufficiently large in Prague to be able to restructure the industrial base of the capital in favor of production programs that are based on modern science. This also means production programs offering attractive jobs to top workers, bold researchers, and design engineers with original ideas. It is also a chance to get rid of the main sources of pollution in our city.

Modern production can thrive even with a smaller labor force. This would permit staff increases in services of all types, starting with education and health care, to retailing and the development of tourism, and ending with completely new types of services connected with computerization. No one is in danger of not being able to find a good job and of not asserting himself in the capital.

[Adamickova, Havlicek] Will the incipient restructuring of organizational structures be used for the intended changes?

[Stepan] There are still very few really well-thought-out proposals by central economic bodies for dealing with the change in the industrial structure of Prague, although the 17th CPCZ Congress has issued very clear directives in this regard.

However, the interpretation of this structural restructuring at ministries, current general directorates, and other management places is often such that, formally, everything should run smoothly and, in reality, everyone should keep his place in his office. We have also registered the first attempts at pulling the wool over the labor collectives' eyes, at deciding without them, in short, at attending to the restructuring of organizational structures bureaucratically. Even some party functionaries are susceptible to doing that.

The city committee welcomes and will give its support to all proposals that will not merely indulge in numbers of bureaucrats and will not confine themselves to shunting them from one office building to another, but that will create actual room for the socialist entrepreneurial spirit.

In the city committee Presidium we assess every proposal that is submitted; in doing so, we confront, and will continue to confront, ministries' views with the stands of labor collectives, party organizations, and the public in general. These matters are too serious to be dealt with behind closed doors.

[Adamickova, Havlicek] The people of Prague expect of the restructuring of the economic mechanism also the vacation of much office space, which should be restored to its former use as apartments and so forth. How much space has Prague gained already?

[Stepan] No one has offered or handed back to us anything so far. Yet there are many premises that could be used again as apartments, service operations, or space for medical and social services. We are carrying out our own survey and almost every day we find out how inefficiently and uselessly from the viewpoint of society much of this space is occupied. We have the impression that here, too, the naive notion exists that we will tacitly approve of everything that someone "cleverly" thinks out somewhere. I can say, however, that even here we shall apply democratic principles. We will submit to the Prague public for assessment the use of these buildings, the proposals for all changes. We know that it is not enough to replace the names and plates in the doorways.

[Adamickova, Havlicek] The city conference also stressed the necessity of working out for Prague a specific housing policy. Wherein lies this specificity?

[Stepan] Up to now the generally binding regulations and norms have done more to complicate the housing problem in Prague than to resolve it. This was compounded by the peculiar ethics of some people who often abused their powers and disposed of state apartments as if they were their own.

But let me go back to your question. There is a great number of unused apartments in Prague. Many of them could serve the people after small repairs or by simplifying a number of regulations. People have been speaking about this for years but at the same time they referred to all kinds of administrative obstacles. A regulation that prevents the occupation of an apartment that is actually empty, that permits machinations and a black market in apartments, and at the same time prevents thousands of people from finding decent accommodation has no justification and must be abolished or changed. We are working on the relevant proposals.

At the same time we must deal with another serious problem—it is hardly conceivable that in the long run we can manage with a single type of rent. After all, everyone will understand that there is a big difference between living in a housing estate and in a completely refurbished house in the city center. We must respect this difference and leave people a choice.

However, the precondition for an improvement is order in the apartment records, order in the work of enterprises of the housing economy and in the activity of national committees' housing sections.

[Adamickova, Havlicek] The city conference called for energetic action against various antisocial elements. Honest people have welcomed the first interventions by a specialized team for combatting foreign currency speculation, that is, black market money changers. What is being actually done?

[Stepan] We did not let ourselves be deterred by various pseudo-expert explanations about gaps in the law. We realize that city agencies alone cannot tackle the causes of the black market in foreign currencies. But this surely does not mean that we will retreat ad infinitum and that these people will laugh at us. The initial results prove us right. If nothing else, security agencies will consistently liquidate the black market money changers' financial means by confiscating all dishonestly acquired money. This sort of activity cannot pay off for long without operating capital.

At public party meetings comments were also made about the so-called parallel structure of sales in state stores, in which only some people could shop. We have already abolished these little shops, whether they were located in the House of Footwear, in Luxus, or elsewhere.

[Adamickova, Havlicek] An improvement in the moral climate, about the need for which you have spoken on more than one occasion, also requires close ties between citizens and state agencies, which should attend to citizens' justified needs. We are thinking, in particular, of national committees in the capital.

[Stepan] But the National Front should not be forgotten either. We need an open and equal dialogue with other political parties and social organizations. After all, the number of members of National Front organizations far exceeds the number of us, Communists. Failing to talk to them, failing to open scope for their independent initiative, failing to respect their experiences and inspiring proposals means, in fact, damaging the party's policy.

[Adamickova, Havlicek] In many places it is still primarily the apparatus, which has superbly mastered the so-called policy of faits accomplis, that wields a strong influence. Deputies then only take note of what has already been accepted, decided, or turned down.

[Stepan] Communists working in national committees, from the mayor and the chairmen of individual municipal district national committees down to primary organizations, must be the first to start changing this state of affairs. We have therefore introduced a new method in the city committee Presidium—the absolutely specific and personal rendering of accounts by the leadership of the Prague National Committee, in which we do not concentrate on written materials but require, in an open discussion, specific replies. But this is not enough. We will demand that the apparatus of national committees submits diverse alternative solutions to certain problems, that it completely opens to deputies its safes and desks, gives them access to all information available to it, and thereby masters, over a period of time, a new quality of its relationship with elected representatives of agencies.

National committees must move closer to the citizens of Prague, including through the delegation of specific powers to citizens' committees.

[Adamickova, Havlicek] Prague is a major center of education, science, and culture. What main changes should occur in this area?

[Stepan] In this area we will have to go through many complicated discussions and, possibly, even unpleasant meetings in order to reach the necessary level of mutual trust. We sometimes come across a quite justified skepticism, generated by bad experiences from various campaigns, one-time actions, and subjective approaches of individual functionaries. Unhealthy habits are also making themselves felt—the tendency to amass scientific and honorary titles, the lack of interest in sharing one's knowledge with society, or the creation of clans and associations based on the provision of mutual services. We want and must overcome all that.

We have started regular working dialogues with artists, architects, pedagogues, physicians, and other professions of the superstructure. These are very useful meetings, in which we try to avoid mutual compliments and empty lectures.

The intelligentsia of the capital represents one of the important sources of social changes. Headway in this area can be made quickly, without costly new investments and inputs of all kinds. Releasing this force will be one of the main targets of the planned session of the city party committee on ideological work.

[Adamickova, Havlickova] The evaluation of party organizations has sometimes depended more on the timely submission of reports, the percentage of members participating in meetings, or a superbly worked out cadre proposal than on results. Are we succeeding in changing these methods?

[Stepan] It has been said at the city conference that restructuring must start with ourselves. The aforesaid forms have really left a deep mark in the practice of primary organization committees, municipal district committees, as well as in the city committee apparatus. The method of examining several options for the solution of practical problems and cadre issues has not yet become the accepted practiced practice even in party work; many organizations have for a long time not been addressed by a representative of a higher party body; membership meetings and plenary sessions of municipal district committees have been prepared by narrow groups of functionaries.

Restructuring primarily needs a specific example, including in the party. That is why we prepared the city conference in cooperation with more than a hundred primary organizations. Attached to the city committee is a working commission and a completely new board of advisers, in which we made use of very experienced functionaries of long standing. At the same time we want to set an example by simply not assessing issues that are in the exclusive jurisdiction, and hence responsibility, of national committees, for instance, or of state agencies.

The city committee Presidium will hold working sessions with all-enterprise committees of large enterprises and with municipal district committee Presidiums. Other features of democratizing party life must include the public discussion of cadre proposals, thoroughly carried out secret ballots, and, first and foremost, the regular, frank, and specific rendering of accounts before party collectives.

In this activity we also want to make greater use of inspiration from Soviet experiences. I recently paid a working visit to Moscow, where I discussed with Comrade L. N. Zaykov ways of making our cooperation more efficient. On this occasion I realized once again that there simply is no alternative to restructuring. For this reason we await the conclusions of the 19th All-Union CPSU Conference as another unusually stimulating boost for our work.

The struggle for reforms, for the implementation of the conclusions of the seventh and ninth sessions of the CPCZ Central Committee, continues, but even today it is clear what tremendous opportunities lie before us. It would be irresponsible if we did not seize them.

[Adamickova, Havlicek] Thank you for the interview.

Zavadil Denies Restructuring-1968 Link

AU3006152788 Prague PRACE in Czech
28 Jun 88 pp 1,3

["rh"-signed report: "Plenary Session of the Slovak Trade Union Council; Attention to Young Apprentices"]

[Excerpts] Bratislava— At its plenary session held yesterday [27 June] the Slovak Trade Union Council discussed tasks of trade union bodies and organizations in the Slovak SR in the upbringing of young apprentices in the spirit of the resolutions of the fourth plenary meeting of the Central Trade Union Council [URO].

Miroslav Zavadil, candidate member of the CPCZ Central Committee Presidium and URO chairman, attended the session. [passage omitted]

Miroslav Zavadil also took part in the discussion, and said among other things: [passage omitted]

Permit me to say a word about the days to come. Bourgeois propaganda as well as domestic political wrecks are currently stepping up their efforts for the revision of the events of 20 years ago, in 1968, as contained in the "Lesson" document and in the report of the 14th CPCZ Central Committee Congress. There is no reason to change anything, or even contemplate some sort of reconciliation with those who in 1968-69 disappointed and betrayed the principles of socialism. The so-called Prague Spring was not the predecessor of today's policy of restructuring. As it has been said more than once, these are two quite different issues. Have, perhaps, those various rightist exponents of 1968 forgotten how many campaigns and passions were unleashed with their active participation and support against the real values of socialism, against the party, against the Soviet Union and the other socialist countries? Have they forgotten how many human tragedies, how much misery they inflicted upon many honorable people by their irresponsibility, demagoguery, and hatred? And now they are passing themselves off as apostles of restructuring. Is this political naivete or impudence?

In trade unions, too, the right tried to assert antisocialist plans, deprive them of their revolutionary and class character, set them at odds with the party. The attack on the unity of trade unions was waged by stressing the social interests of individual professions and groups, by pseudo-resolving social and wage claims, above all by one-sidedly stressing the so-called line of individual trade unions. As is known, 57 trade unions were to be founded, being absolutely independent of the URO. The principle of democratic centralism was to be rejected. Individual professions and social groups were associating in trade unions with the aim of achieving an autonomous status. Common interests of the workers class and all working people were being denied. The right, in essence, pushed through the establishment of two independent national trade union movements, only loosely joined in the Central Council of Czechoslovak Trade Unions. I remind you that at that time there existed statutes of a Czech Revolutionary Trade Union Movement [ROH], ROH statutes in Slovakia, and the Charter of Czechoslovak Trade Unions, which—as regards their content and objectives—were fundamentally different. Thus it is obvious that the smashing of trade unions was to be one of the main instruments to overturn the socialist development in our country. These dearly paid-for experiences cannot be forgotten. We cannot keep silent when today certain forces are trying to assert that nothing really was happening, that in 1968 all the so-called leaders only wanted to make socialism better, that they wanted what the policy of restructuring is after today. What was involved then was disruption; today we want to perfect our socialist society. It is impossible not to see some genuine problems which really existed in the trade union movement in the sixties. We must learn from all this. Especially under the current conditions of restructuring, when we are figuring out how—in the interest of socialism—to continue enhancing activity in the ROH, how—through further democratization—to enhance the relationship of members toward their organization so that it would be more efficiently fulfilling its revolutionary mission, so that it would enhance the commitment of the millions of members of the primary organizations for the objectives of the comprehensive restructuring of society. Comrade Milos Jakes voiced these three fundamental tasks at the statewide consultation of leading secretaries recently, when he said that what is involved is economic reform, profound democratization of all forces of our society's life, and a consistent implementation of social and economic development, also in that is the essence of the preparations for the all-trade union conference, which will be convened on 24-25 September 1988. We cannot and must not permit extreme views which in the past, more than once, negatively influenced developments in trade unions. We must strengthen, above all, the unity of trade unions, and by equal and well-balanced status respect the rights and the status of trade union and all-trade union bodies in both the Czech and the Slovak SR. The latest URO plenary session adopted a decision on convening a statewide all-trade union conference which is to determine how trade unions will continue the policy of restructuring, what will be our specific contribution, and what we—in the trade unions—must do better in our work. [passage omitted]

Federal Assembly Approves Social Security Law

LD1606154088 Prague CTK in English
1300 GMT 16 Jun 88

[Text] Prague June 16 (CTK)—A new law on social security under which higher old-age and disability pensions will be granted, and those already being paid will be raised, as from October 1, 1988 was approved by the Czechoslovak Federal Assembly today.

Presenting the new legislation, Labour and Social Affairs Minister Miloslav Boda noted that it removes the growing disproportion between pensions-those already being paid as well as newly granted-and wages. The present way in which wages are considered as the basis of pensions has a strongly levelling effect. This is why the 3,000 crowns, now the monthly maximum basis for the calculation of a pension, is being raised to 4,067 crowns, a step which should more justly reflect work merits in pensions.

Another important change is that employment is not required to last till the day a person becomes eligible for pension and individual five years of the last ten years of employment, in which the person's earnings were the highest, will be taken as the basis for counting a pension [sentence as received]. Formerly it was either five or ten years, whichever was more advantageous.

The new legislation also introduces an allowance for widowed men looking after at least one dependent child, raises minimum limits for old-age and disability pensions and increases allowances for handicapped children.

Miloslav Boda said that the new law on social security provides legal bases for another stage of social measures at the end of the 1986-1990 plan period when a system of regular pension increases is to go into use to systematically adjust pensions to the development of real wages.

Boda Speaks on Law

AU2706090788 Bratislava PRAVDA in Slovak
17 Jun 88 p 5

[Report "From the Statement by Miloslav Boda," CSSR Minister of Labor and Social Affairs, delivered at the 10th joint session of the two CSSR Federal Assembly Chambers in Prague on 16 June]

[Test] The Government Draft Law on Social Security [subhead]

The CSSR Government has started preparing a new law on social security, aiming to produce a comprehensive legal amendment which would further relevantly develop the social policy of our socialist state in line with the current restructuring of our society. The government declaration of 3 May 1988 stressed that the government considers social security a significant part of its social policy, one which directly affects the living standards of the broad strata of our population.

Permit me to begin by thanking the Federal Assembly committees for their work, and by expressing appreciation of the suggestions contributed by them to its contents and legislation as far back as January and February 1988, when the principles of this law were being discussed; these contributions were demonstrably reflected in the further qualitative improvement of the law's goals and contents. The Central Committee of the CSSR's National Front played a significant role in preparing this law; and the top bodies of the Revolutionary Trade Union Movement (ROH) in particular have devoted their energy to these issues. Regardless of how exacting or financially demanding the intentions to further improve social security and the people's living standards might be, the government (following the strategy of accelerating our social and economic development) does not want to climb down from them and is resolved to develop its social policy as a vigorous tool of economic restructuring, to be used for purposefully stimulating the working initiative and for implementing social justice in all strata of our working people and our population. Social policy reflects the all-round care devoted by the Communist Party and the socialist state to the needs of people involved in the labor process, but also of those not participating in this process and unable to satisfy their needs by their own work. This policy of social certainties is specifically expressed in the proposed measures; due to their contents they are the most significant measures in the entire history of socialist Czechoslovakia.

The proposed law on social security is the culmination of the entire development of social legislation to date; the law will become valid on 1 October 1988, the day when the law on national insurance was introduced 40 years ago, as one of the achievements of Victorious February [1948].

M. Boda spoke of the irreversible fact that both the CPCZ and the government devote systematic attention to the problems of the retired. Since the 14th CPCZ Congress, Kcs10 billion have been gradually spent on new measures within the pension scheme, so that today the money spent on social security amount to more than Kcs87 billion; the largest portion—64 percent—is paid out within the framework of the pension scheme.

The existing social security system basically corresponds to the changes that have taken place in the development of the socialist society; the number of citizens falling under social security provisions, the scope and level of justified claims within the pension scheme, and the broadly developed, comprehensive social care system place our social security system among the most outstanding in the world.

The number of people covered by social security has doubled since 1948 and includes practically the entire working population. The number of pensions paid out has increased more than threefold, from merely 1.3 million in 1948 to almost 4.1 million today. The average pensions have increased fourfold since 1948, and overall expenditures for the pension scheme sixteenfold. Social security costs have strikingly risen—for instance, the number of places in old people's homes has increased to 77,000, which is three times their number in 1948.

Although our social security has many advantages and, by world standards, is one of the more progressive and stable systems, this does not mean that some of its principles need not be amended and adjusted to new conditions. In fact, the social impact and topical nature of problems accumulated in the social sphere have become enhanced under the conditions of economic restructuring. These problems primarily concern the ratio between the amounts paid out for new pensions and the incomes achieved during gainful employment of the persons concerned, as well as pension claims recognized for various periods and the preservation of the real value of pensions paid out to pensioners. That is why the 17th CPCZ Congress approved an extensive social program, primarily meant to solve these topical problems. At the same time the tasks set by the congress do not consist of merely releasing considerable financial means—the main thing is to introduce into the social security system qualitatively new elements which would positively affect social development over a longer period.

The scope of the problems, and the financial requirements involved, make it impossible to resolve all the problems at once.

The first stage of the necessary measures was carried out last year; the measures involved social assistance to more than 1 million young families with children and 450,000 pensioners (whose lowest pensions were raised if they were the sole source of income). The expenditures for social assistance to families with children and for the adjustment of lowest pensions amounted to Kcs1.3 billion.

The draft law on social security which is now being submitted is the second stage of the measures; at the same time it establishes legal prerequisites for the third stage, to be carried out toward the end of the present 5-year period, when the system of regular pension increases is to be introduced; this should take care of adjusting the real value of the pensions to the development of real wages.

The extraordinary attention focused on the matter of pensions is manifested by the fact that a decisive portion of means earmarked for them will be used for pension increases within the second stage. Out of the Kcs4.5 billion needed for implementing the new law on social security, more than Kcs3.7 billion will be released for adjusting the pensions paid out to pensioners, and we expect to spend a further Kcs2.2 billion for this while carrying out the third stage. Thus almost 90 percent of all means earmarked for adjusting the pension scheme will be used during the three stages for raising pensions. Frankly, considerable financial means have been released for social measures as planned in spite of our not fulfilling the Eighth 5-Year Plan in the economic sphere (above all in the creation of the national income). Social advancement has always depended (and will depend also in the future) on the creation of new resources. Our past experience tells us that it is impossible to distribute more than has been actually created without inviting undesirable consequences. That is why it was essential to adopt certain measures within the redistribution process (as mentioned by Jaromir Zak, federal minister of finance, in the discussion on the final state budget) in order to be able to earmark the financial means for social measures regardless of the lower rate of economic growth. The people's energetic, conscious approach and their honest and efficient work are the only things that can help us mobilize the creation of resources. It is imperative to combine the improvement of the material situation of our 3.5 million pensioners with a consistent implementation of measures adopted by the federal and national governments for stabilizing our domestic market (measures counting on strengthening this market with deliveries of Kcs5-6 worth of goods over and above the plan already during the present 5-year period).

The activation of our people is of decisive significance if we want to enhance the creation of the national income, increase social labor productivity, and enhance general performance. The current process of restructuring the economic mechanism directly depends on the energetic activities and initiative of our working people and all citizens of our fatherland. We are interested in making the new social measures efficiently motivate and stimulate our working people to achieve better results in their work and in their economic activities. It is essential to offer them a realistic prospect that their social claims and certainties will grow and their living standards improve at a rate commensurate with their contribution to society and to the effectiveness of their work. The draft law on social security submitted here takes over, and preserves, those principles of the pension scheme that have gradually developed and proved their worth during the past period of socialist construction. This primarily applies to the uniform, general nature of the pension scheme, to its advantageous age limits for old-age retirement, to the system of three categories of labor (according to the risks and strain involved), to the consideration of social viewpoints in *determining the* conditions and amounts of pension payments, and to the working people's involvement in social security agencies.

At the same time the draft law creates a significant, auxiliary tool for economic restructuring by projecting remuneration for working results to the pension scheme far more strikingly than it is doing today. In fact, in the social sphere, too, the intensification of the principle of remunerating for working results must become an important criterion. This is in keeping with the principles of the Labor Code amendment which is now being prepared (principles which have found support in the public discussion), and also with the intention to enhance the people's interest in taking up jobs where this would yield the greatest effect for society. People with higher earnings and many years of service, whose work involved greater risks and was more strenuous, have the right to claim higher pensions. The persisting equalizing trends are harmful and must be eliminated also in the pension scheme. At the same time provisions will be made for maintaining the lowest pensions on an adequate level and for taking care of survivors (here the social viewpoints will be of significance).

The law eliminates the undesirable consequences of current social security provisions that had meanwhile emerged; it does so primarily in two directions—in the direction of the unfavorable, inadequately diminishing ratio between the calculated pensions and the people's earnings; and in the direction of the lag of pensions behind the development of wages.

The method of calculating the earnings which serve as the basis for working out pensions is the equalizing factor in the current pension scheme. The consequences of this method are that the pensions paid out to individuals are scarcely differentiated according to the results and social importance of their work and the amount of their resultant earnings. Today the highest earnings, i.e. the figure taken as the basis for calculating pensions, is Kcs3,000; but 30 years ago, at the time when this method was used for calculating the average monthly earnings, the limit beyond which pensions would be cut was Kcs2,000 and affected only 10 percent of all working people in our country. Since earnings are gradually rising, the limit currently affects more than 80 percent of our working people. That is why most pensions reflect only a certain percentage of earnings, and why a considerable part of the earnings is not included at all in the pension assessments of a steadily broadening circle of people. Whereas the third-category pensions of employees who had been earning Kcs2,000 amount to 70 percent of their gross wages (provided they have served the full number of years), they drop to 54 percent if they had been earning Kcs3,000, i.e. average current earnings in national economy; if they had been earning more, the percentage drops even further. This is felt most by our highly qualified workers, by the scientific and technical staff, and by people in demanding posts in preferred job categories. The proposed new method of determining the earnings for a pension assessment *should basically eliminate* this shortcoming. That is why we propose to raise the maximum pension assessment basis from the present Kcs3,000 to Kcs4,067; this should make the way meritorious work is reflected in the pensions more just than to date. The proposal also alleviates certain restrictions, above all in favor of workers in preferred job categories; raises the lowest pensions and other social allowances; intensifies the provisions for disabled persons; and contains certain other partial improvements, including cuts in the administrative sector of the existing system. Another significant measure is that employment need no longer last up to the first day of retirement, and that pension assessments are to be based on the 5 years of highest earnings during the last 10 years on the job.

The proposed adjustment of new pensions means an increase of most old-age and disability pensions set after 1 October 1988. A more consistent implementation of the principle that the pension depends on what a person earns by his work establishes prerequisites for intensifying the role played by social policy in the restructuring of our economy.

The pension increases within the second stage are the principal measure adopted within the pension scheme; it is mainly aimed at easing the differences between pension assessments made at different times (the differences are primarily due to the fact that, after a pension assessment is completed, the pension remains practically unchanged; on the other hand the wages serving as the assessment basis can increase). Despite the measures adopted in order to diminish them, the differences deepen with time, and (to a certain extent) pensions do not correspond to the development of work pay. Since the lowest pensions as the only source of income were the first to be gradually raised, and since other pensions were raised only slightly, the levelling trend has thus also spread to pensions.

The proposed pension adjustment within the second stage, planned for 1 October 1988, will certainly not solve all problems (according to the government declaration, this is envisaged only toward the end of the Eighth 5-Year Plan); but it will greatly diminish the negative phenomena mentioned above, in keeping with the existing economic situation. The differentiated adjustment of old-age and disability pensions and pensions for full years served, consisting of an increase of Kcs40—140 a month (depending on the date of assessment), will represent a considerable increase of previously calculated pensions; from the social viewpoint, this is both necessary and justified. At the same time the pensions for the first and second job categories will be adjusted via higher increases; this will affect the pensions of resistance fighters and their survivors (depending on their group category).

The draft law submitted here also adjusts social care as a vital part of the state social policy financed out of national resources. Above all, this involves increased allowances and improved services for citizens who land in an unfavorable situation which they cannot overcome without the society's assistance.

Government Draft Law on Changes in Health Insurance [subhead]

The draft law on changes in the health insurance system is linked with the legal amendments discussed here—the Law on Agricultural Cooperatives and the Law on Social Security. The adjustment of health insurance for cooperative farmers will mean significant changes, based on the new working conditions and new relations established in agricultural cooperatives. The draft presented here adjusts the beginning and end of the times covered by insurance during a cooperative farmer's illness; provides insurance for mother and child; and determines the insurance times when a member of the cooperative works according to an irregular or reduced schedule. The legal amendment stipulates that if a (male or female) member of a cooperative is unable to work—for instance because of illness, maternity leave, basic military service, and so forth—the health insurance and the provisions for mother and child are valid throughout the period of illness, to the extent stipulated for a person in regular employment.

The new adjustment of provisions for health insurance is also reflected in conditions for child allowance claims. According to the draft, the members of cooperatives are entitled to receive child allowances (like all other employed persons) if their work in the cooperative falls within a job commitment based on a work contract. The difference is that currently it is necessary to keep track of the number of days worked by a member of a cooperative in a calendar month in order to have a valid claim.

Apart from the changes that affect only the members of cooperatives, the law presented here also effects changes that are based on the Law on Social Security and affect both staff employees and members of cooperatives. The new amendments concern supplementary allowances for children whose health is seriously impaired by protracted illness and who need special care.

Furthermore, it contains a new and more suitable definition of work commitment as a condition for a single person (whether staff worker or member of a farm cooperative) who is the recipient of a partial disability pension and is also taking care of a dependent child. The fulfillment of this condition will be important for the payment of supplementary child allowances, because (according to the Law on Social Security) individuals receiving such pensions will no longer be entitled to receive child support in the future.

According to the present regulations, a man is not entitled to receive maternity allowance even if his wife cannot take care of the child because of a serious protracted illness and she herself is not receiving a maternity allowance. This can land a family in a difficult situation and there is every reason to grant such monetary assistance also to a man (whether staff worker or member of a cooperative). The new amendment will replace the existing system of health insurance for cooperative farmers, which places greater demands on the administrative sector than the system for staff workers does. This is a further step toward standardizing conditions for the amendment of health insurance regulations for two main groups of working people—staff workers and members of unified cooperative farms. The draft submitted here also effects changes based on the Law on Social Security which had just been passed.

Leaders' Public Appearances 19 - 26 June

AU2906155988 [Editorial Report] Prague RUDE PRAVO in Czech, Bratislava PRAVDA in Slovak, and Bratislava SMENA in Slovak from 20 to 27 June report the following public appearances of CSSR leaders (source, date, and page number of each report is given in parentheses):

Frantisek Pitra, candidate member of the Presidium and secretary of the CPCZ Central Committee, saw off a delegation leaving for Berlin headed by Josef Kempny, CPCZ Central Committee Presidium and chairman of the Czech National Council, at Ruzyne Airport on 19 June.

Vladimir Herman and Miroslav Zavadil, candidate members of the CPCZ Central Committee Presidium, were among those who attended a peace meeting in Brno-Lisen on 19 June. (both reports Prague RUDE PRAVO in Czech 20 Jun 88 p 1)

Milos Jakes, CPCZ Central Committee Presidium general secretary, received Frantisek Langer, the newly appointed CSSR ambassador to the GDR, in Prague on 21 June.

Josef Kempny attended and addressed an international meeting on nuclear-free zones in Berlin on 21 June.

Lubomir Strougal, CPCZ Central Committee Presidium member and CSSR premier, received Austria's Interior Minister Karl Blecha in Prague on 21 June. (all three reports Prague RUDE PRAVO in Czech 22 Jun 88 p 1)

Vratislav Vajnar, CSSR minister of interior, and Austria's Karl Blecha signed a cooperation agreement in Prague on 21 June. (Prague RUDE PRAVO in Czech 22 Jun 88 p 2)

Mikulas Beno, CPCZ Central Committee secretary, attended and addressed a session of the East Slovak CPCZ Regional Committee in Kosice on 21 June.

Alois Indra, CPCZ Central Committee Presidium member and chairman of the CSSR Federal Assembly, presented Zdenek Rada, deputy of the CSSR Federal

Assembly, with the Federal Assembly's greetings message on the occasion of the latter's 50th birthday, place and date not given. Vladimir Herman presented Zdenek Rada, leading secretary of the Znojmo CPCZ District Committee, with the Order of Labor, on the occasion of the latter's 50th birthday in Brno, date not given.

Bohuslav Chnoupek, CSSR minister of foreign affairs, received Soviet Ambassador Viktor Lomakin in Prague on 21 June. (All four reports Prague RUDE PRAVO in Czech 22 Jun 88 p 2)

Milos Jakes and Jan Fojtik, member of the Presidium and secretary of the CPCZ Central Committee, attended the ninth session of the Presidium of the Czechoslovak Academy of Sciences in Prague on 22 June.

Peter Colotka, CPCZ Central Committee Presidium member and Slovak premier, attended the 10th session of the Slovak National Council in Bratislava on 22 June. (both reports Prague RUDE PRAVO in Czech 23 Jun 88 p 1)

Peter Colotka received David Mellor, UK minister of state for foreign and commonwealth affairs, in Bratislava on 22 June. (Prague RUDE PRAVO in Czech 23 Jun 88 p 2)

Josef Lenart, member of the Presidium and secretary of the CPCZ Central Presidium, attended and addressed the opening day of the Czech Congress of the Czechoslovak Scientific-Technical Society (CSVTS) in Prague on 24 June.

Jozef Lenart presented Jaroslav Ladasil, leading secretary of the Czech Council of the CSVTS, with the Order of Labor on the occasion of the latter's 60th birthday, in Prague on 24 June. (both reports Prague RUDE PRAVO in Czech 25 Jun 88 p 2)

Bohuslav Chnoupek received Hans Jespersen, the outgoing Danish ambassador in connection with the end of his tour of duty in the CSSR in Prague on 24 June. (Prague RUDE PRAVO in Czech 25 Jun 88 p 8)

Academician Josef Riman, chairman of the Czechoslovak Academy of Sciences (CSAV), presented Milan Vaclavik, CSSR minister of national defense, the Gold CSAV Medal of Honor for Merit in Combining Science With Practice in Prague on 24 June. (Bratislava PRAVDA in Slovak 25 Jun 88 p 2)

Vratislav Vajnar attended the seventh congress of the CSSR Fire Prevention Department in Prague on 25 June. (Bratislava SMENA in Slovak 27 Jun 88 p 5)

Frantisek Pitra attended and addressed the seventh congress of the CSSR Fire Prevention Department in Prague on 25 June.

Karel Hoffmann, member of the Presidium and secretary of the CPCZ Central Committee, received members of the Federal Committee of the Fire Prevention Department in Prague on 25 June.

Peter Colotka; Jozef Lenart; Ignac Janak, CPCZ Central Committee Presidium member; and Miloslav Hruskovic, candidate member of the CPCZ Central Committee Presidium, attended the opening of the "Incheba-88" fair in Bratislava on 25 June.

Frantisek Hanus, CPCZ Central Committee secretary, attended and addressed a session of the North Bohemian CPCZ Regional Committee in Usti nad Labem on 25 June. (all four reports Prague RUDE PRAVO in Czech 27 Jun 88 p 2)

Fischer Speaks on INF Missile Inspection

LD3006174288 East Berlin ADN International Service in German 1412 GMT 30 Jun 88

[Text] Berlin, 30 Jun (ADN)—In his speech to the sixth session of the People's Chamber, GDR Foreign Minister Oskar Fischer referred to the statement by the parliamentary groups on the agreement between the GDR, the USSR, and the CSSR on inspections in connection with the USSR-U.S. Treaty on the Elimination of Intermediate- and Shorter-Range Missiles.

The minister recalled Erich Honecker's statement directly after the exchange of the ratification documents in Moscow that the historical treaty has come into force and nuclear disarmament is beginning as a result. The prospects for European and worldwide development are further proof that a world with fewer weapons, a world without nuclear weapons, is possible. A fundamental part of this first disarmament agreement is the trilateral agreement between the GDR, the USSR, and the CSSR on inspections and the agreement between the GDR and the United States on inspections of the former Soviet missile bases on GDR territory. Both of these documents form the basis in international law for carrying out verification measures on GDR territory. At the same time, they govern the advance notice and carrying out of inspections by the United States, in order to help guarantee the multilateral realization of the Washington treaty. The minister said that naturally the agreements safeguard the sovereign rights and interests of our state.

Fischer continued that we, on the dividing line between the Warsaw Pact and NATO, have a vital interest in the speedy elimination of intermediate- and shorter-range missiles. We commit ourselves to supporting the United States in carrying out its inspections of the former Soviet Army missile bases on our territory. For their part, the U.S. inspectors and members of their air crews must strictly obey GDR laws and regulations and not interfere in internal affairs. Our state is ready to receive these inspectors and to guarantee them the agreed support; this will be legally possible starting tomorrow. The good experiences gained from implementation of military observation and inspection in fulfillment of the Stockholm document on confidence-building measures and disarmament will be useful in reliably mastering these new tasks.

Many of the solutions found could undoubtedly be used as models for future disarmament treaties. It is an example of the principle that control and inspection measures are necessary because they are trust-building.

Intentions, or even efforts, to replace nuclear systems, which are subject to reduction and destruction, by "modernization" or rearming in other fields, will not only devalue the Washington treaty, they will be a direct blow to disarmament. For that reason the GDR calls for decisive steps to be taken to prevent this.

It is well known that the GDR and the USSR decided, in the interest of ratifying the Treaty on the Elimination of Intermediate- and Shorter-Range Missiles—even before the treaty came into force—to withdraw the missiles stationed in response to the arming of West European states with the most modern U.S. nuclear missiles.

This, as well as similar steps by the CSSR, found the greatest respect internationally, the foreign minister said. The transformation of the former military site at Waren into a holiday center for the FDGB became a comprehensive symbol of the advantages which disarmament can bring for mankind. This corresponds, of course, to the essence of socialist politics and it is cheaper not to have to build holiday homes via the circuitous route of missile positions. Even when countermeasures to the stationing of U.S. intermediate-range missiles in Western Europe had to be taken on our territory, we declared our support for the aim of drastic reduction in missiles by both sides.

The minister recalled the slogan coined by Erich Honecker in November 1983, which rapidly grew in popularity: "The devilry must go—now more than ever." This slogan has lost nothing in the meantime, absolutely nothing of its topicality. Many people were surprised at the naming of Leipzig airport as the arrival airport for the U.S. inspectors who are due to supervise the enforcement of the Soviet-U.S. treaty on the dismantling of missiles.

Even at the hour of the signing of this so-important document, someone in Washington had something to object to concerning Schoenefeld Airport. Why? It has remained inexplicable ever since. But the decision we immediately made, that it must be Leipzig, shows that the GDR follows a predictable, consistent policy, and this is oriented toward the comprehensive questions for mankind.

The GDR intensified the policy of dialogue and balance. That was one of the main themes during the talks and negotiations of our highest representative in many West European states, among them the countries where U.S. intermediate-range missiles are stationed. This is the attitude to be expected from a German state which takes seriously its duty to see that war will never again emanate from German soil. Looking back we can say: This policy was and remains correct, the efforts have been worthwhile, and they will continue to be so.

So it became impossible for the opponents of any disarmament, whether in the area of missiles of intermediate and shorter range or those of strategic importance, whether nuclear or conventional, to prevent its ratification. On 1 August the Soviet Union will begin the destruction of the missiles which have been withdrawn. All of this proves that the weight of the Soviet-U.S. treaty of December 1987 and of the other advances achieved in recent times in the struggle for disarmament and arms control far exceeds the respective subject of the negotiations.

The lively movement, which has entered all efforts toward disarmament and arms control, may be assessed as the first consequence of the insight that in the nuclear age more weapons do not mean more security.

According to Fischer, the worldwide cooperation of the forces of realism and reason is being extended on the basis of this knowledge. This was shown in a highly impressive way only a few days ago at the International Meeting for Nuclear Weapons-Free Zones, held in Berlin.

This, the most comprehensive world forum on peace issues in history, is unprecedented, Fischer continued. It is of outstanding importance in the struggle for nuclear disarmament, particularly for Europe, where the most modern weapons of mass destruction of all kinds are concentrated.

Our representatives who spoke at the meeting left no doubt that disarmament in the field of intermediate- and shorter-range missiles should be followed by the next zero solution—the removal of so-called nuclear tactical systems. A nuclear-free world in the year 2000 is not a Utopia—it can be achieved.

Thus, we stick to the view that there are the beginnings of a change for the better in international relations. For the first time the most up-to-date weapons systems are not only being limited, but destroyed.

To the west of our state border, there is still an advocacy of the retention of "nuclear deterrence" in Europe. This is aimed directly against the process of disarmament and improvement in international relations that has just begun. And it is mere supposition, speculation, that nuclear deterrence has prevented a third world war for 40 years. No one can guarantee this is the case.

Who would or should prove the contrary if worse comes to worse? Do we not see daily in our highly technological world accidents and disasters, because, for example, an insignificant component or a human being failed? I am thinking of Chernobyl, of the poisoning of the Rhine, of the catastrophes in Bhopal in India, in Seveso in Italy, at the launch of the "Challenger" spacecraft, of the cloud of poison gas in Springfield in the United States, and many other things, Fischer went on.

Can we in Europe or elsewhere risk a nuclear war "by chance"? That a war "by chance" has become conceivable is shown by the fact that the Soviet Union and the United States have taken measures to reduce the risk of a nuclear conflict. This concern was also the stimulus for Erich Honecker's proposal at the international meeting for the creation of mechanisms for peaceful crisis management and the prevention of military incidents in central Europe, which immediately received a worldwide response.

We are in favor of a balance without nuclear weapons and with a minimum of weapons on either side—just enough for defense. We are against "nuclear deterrence" also for the reason that it logically entails these weapons being renewed and modernized from time to time. That means that "nuclear deterrence" is continuing the nuclear arms race. And more: "Nuclear deterrence" is in the end hindering and thwarting any sort of disarmament. If NATO adheres to its doctrine of nuclear deterrence, then all over the world the temptation to base one's own security on nuclear deterrence would surely grow. Hence, what we must do is to find solutions which make nuclear weapons dispensible for all, without harming anyone's security.

The GDR judged the speedy realization of the Soviet-U.S. treaty of December last year as further proof of the realistic character of the Warsaw Pact's joint program on the creation of a comprehensive system of security and the creation of a nuclear weapons-free world. More and more people are becoming aware, were and are prepared to commit themselves to a life in peace. Perceptible influences on further developments in the world will emanate from the implementation of the Treaty on the Elimination of Intermediate- and Shorter-Range Missiles, for which all the political and legal prerequisites now exist. The expectations tied to this can only be fulfilled if no break in the policy of disarmament is allowed.

Even if differences of opinion exist on the scope and objective of disarmament, we can still note that a growing consensus for further disarmament is forming. This consensus applies to the negotiations between the USSR and the United States on a 50-percent reduction of their strategic-offensive weapons, to nuclear weapons tests, to conclusion of a convention banning all chemical weapons, and to the reduction of armed forces and conventional arms in Europe.

As a state on this dividing line, we continue our persistent efforts to create nuclear-free zones and corridors in Europe. These proposals of the SED, the CPCZ, and the SPD demand a constructive answer.

In our view and in that of our allies, it should not prove difficult to rid Europe of chemical weapons and thus at the same time promote a worldwide ban on them. Our negotiating offer on a possible chemical weapons-free zone in central Europe is in line with this.

As for the reduction of forces and conventional arms in Europe, the GDR feels that the high concentration of weapons and civilian targets, the destruction of which would have unforeseeable consequences for our entire continent, means that a war can no longer be waged in

Europe, either by conventional means or by nuclear means. Hence, at the Vienna CSCE meeting, we are trying to ensure that talks between the 23 states of the Warsaw Pact and NATO on conventional disarmament can take place before the end of this year. An early mandate for these negotiations would at the same time be an outstanding contribution to guaranteeing human rights, as only living people can exercise such rights.

The Warsaw Pact states are in favor of acting as soon as possible to get a clear picture of the existing assymetries in forces and arms on both sides. In order to prevent this problem from continuing to be the subject of unproductive speculation or accusations which make negotiations more difficult, we are in favor of reliably verifying the exchanged data, if necessary on the spot. Then there would be nothing in the way of removing—with due regard for mutual concerns—the imbalances between the forces and arms of the two military alliances that have built up over the years.

The Warsaw Pact states also feel that drastic reductions in forces and arms must directly follow the process of overcoming existing imbalances. The final aim is, first of all, the removal of the capacity of the forces of both blocs to launch a surprise attack, and ultimately the elimination of their capacity to launch any attack at all.

On all these issues our state and the members of the Warsaw Pact will continue to work to reach joint solutions by means of negotiation, solutions which lead us forward on the path of disarmament, detente, and cooperation and which of course are of benefit for bilateral relations, the GDR foreign minister said.

Territory Exchanged With West Berlin
LD3006195988 East Berlin ADN International Service in German 1855 GMT 30 Jun 88

[Text] Berlin, 30 Jun (ADN)—After the conclusion of the necessary revised demarcation of the border between the GDR and Berlin (West), the protocol between the Government of the GDR and the West Berlin Senate for carrying out the 31 March 1988 agreement on a further exchange of territory was signed on Thursday by Dr Walte Mueller and Gerhard Kunze, representatives of the GDR Government and the Berlin (West) Senate. The exchange of the territories involved has thus been completed.

FRG-GDR Rapid Rail Link Discussed
LD3007145988 Hamburg DPA in German 1137 GMT 30 Jun 88

[Text] East Berlin (DPA)—Following a successful series of exploratory talks between Bonn and East Berlin on a new express rail route between Berlin and Hannover, official talks on the matter are now expected to begin before the end of this year, Federal Transport Minister Juergen Warnke announced to journalists in East Berlin today following a meeting with his GDR counterpart, Otto Arndt. According to Warnke, the GDR proposed a northerly route, which would enter the Federal Republic in the Wolfsburg region.

The route of the new railroad will be determined only during the impending negotiations. The Federal Government is likely to approve the start of the negotiations after the Bundestag's summer break ends in September. The construction of a so-called southern route via Braunschweig was also conceivable, said the minister. The GDR had exhibited "openness" on these questions, added Hans Otto Braeutigam, head of Bonn's permanent mission in East Berlin, who conducted the exploratory talks on behalf of the government.

The development of high-speed trains capable of reaching speeds greater than 200 km/hour is not conceivable before the mid-1990's, said Warnke. In light of the "satisfying conclusion" of the "constructive" exploratory talks that followed Erich Honecker's visit to Bonn, however, he assumed the talks would be "conducted briskly." The minister would not comment on the cost of the new high-speed rail route, which is expected to be at least M2 billion, if not considerably more.

Eberlein Receives SPD Bundestag Deputies
LD2906195188 East Berlin ADN International Service in German 1441 GMT 29 Jun 88

[Text] Magdeburg, 29 Jun (ADN)—Werner Eberlein, member of the SED Central Committee Politburo and first secretary of the Magdeburg Bezirk SED Executive, and members of a delegation of the SPD faction in the FRG Bundestag, met today in Magdeburg for an exchange of views. Central to the talks were problems of safeguarding peace and the further normalization of relations between the two German states.

The SPD delegation, led by Bundestag member Hans Buechler, visited production centers and tourist sights during their stay in the GDR. They were particularly interested in the GDR's measures for protection of its environment.

Kessler, Swedish Army Chief Hold Talks
LD2906175288 East Berlin ADN International Service in German 1103 GMT 29 Jun 88

[Text] Berlin, 29 Jun (ADN)—The visit to the GDR by an Army delegation from the Kingdom of Sweden, led by Army Commander in Chief Lieutenant General Erik Bengtsson, will serve the further development of good relations between both countries and their armies. This was agreed by Army General Heinz Kessler, GDR minister for national defense and member of the SED Central Committee Politburo, and his partners in their talks today. During the meeting in the Defense Ministry they discussed topical military-political questions.

Army General Kessler stressed that the International Meeting for Nuclear Weapons-Free Zones held in Berlin had made clear how it is possible, in spite of differing philosophical convictions and political leanings, to come to an agreement on practicable ways to bring about a world without war and violence, without nuclear and chemical weapons.

The Swedish delegation is spending several days in the GDR.

Schuerer Discusses Cooperation With SFRY

AU3006185988 East Berlin NEUES DEUTSCHLAND in German 29 Jun 88 p 2

[Text] East Berlin (ADN)—Tasks resulting from the long-term development of economic and scientific-technological cooperation were discussed in Berlin on Tuesday [29 June] by Gerhard Schuerer, candidate member of the SED Central Committee Politburo, deputy chairman of the GDR Council of Ministers, and chairman of the State Planning Commission, and Vojislav Knezevic, deputy director general of the SFRY Federal Social Planning Institute. The interlocutors paid tribute to the work carried out by both sides in implementing the agreements concluded on the occasion of the official friendship visit to the SFRY by Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, in October 1985, which have led to the expansion and intensification of bilateral relations. They stressed the necessity to coordinate their country's 5-year plans, to strengthen cooperation in science, research, and production, and to increase mutual exchange of goods on this basis.

Gerhard Schuerer and Vijislav Knezevic gave a positive assessment of the level that has been reached in preparing a long-term program of economic and scientific-technological cooperation between the GDR and SFRY through the year 2000. In implementing the agreements reached by the prime ministers of the two countries during the official friendship visit to the GDR by Branko Mikulic, president of the Federal Executive Council, in December 1987, efforts are being made to open up new fields of cooperation on the basis of the long-term agreement and to raise relations to a qualitatively higher level.

The meeting was attended by Milan Predojevic, SFRY ambassador extraordinary and plenipotentiary to the GDR.

Honecker Receives Polish Defense Minister

LD2906211688 Warsaw PAP in English 1857 GMT 29 Jun 88

[Text] Berlin, June 29—PUWP CC Political Bureau member, Polish Interior Minister Gen. Czeslaw Kiszczak, now on a visit to the GDR, was received on Wednesday by Erich Honecker. Kiszczak conveyed to the latter fraternal greetings from Wojciech Jaruzelski which were equally cordially returned.

The friendly talk was attended by SED CC Political Bureau member, GDR Minister of State Security Gen. Erich Mielke.

Honecker Receives BCP's Vasil Tsanov

LD2906191988 East Berlin ADN International Service in German 1435 GMT 29 Jun 88

[Text] Berlin, 29 Jun (ADN)—The International Meeting for Nuclear Weapons-Free Zones, which ended a few days ago in the GDR capital, has given a significant impetus to the creation of such zones. This was stressed by Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State, and by Vasil Tsanov, secretary of the BCP Central Committee, at a meeting in Berlin today.

They paid tribute to the efforts of the fraternal parties and all forces of peace to prevent a nuclear inferno and affirmed their support for the far-reaching and comprehensive peace initiatives of the Soviet Union. Erich Honecker and Vasil Tsanov considered the results of the meeting between Mikhail Gorbachev and Ronald Reagan to be a significant step toward disarmament. At the same time, they agreed that there has been a positive international response to the important proposals put forward by the GDR and the Bulgarian People's Republic on the creation of nuclear and chemical weapons-free zones in central Europe and in the Balkans.

During the exchange of opinions Erich Honecker paid tribute to the results achieved by both parties in trusting cooperation. The recent constructive exchange of experience between the BCP delegation and the SED in the area of agricultural policy also serves to constantly raise the level of cooperation.

PRC Railways Minister Meets With Neumann

AU3006090388 East Berlin NEUES DEUTSCHLAND in German 29 Jun 88 p 1

[Text] East Berlin (ADN)—On Tuesday [28 June] Alfred Neumann, first deputy chairman of the GDR Council of Ministers and member of the SED Central Committee Politburo, received Li Senmao, PRC minister of railways, who is in the GDR at the invitation of GDR Transportation Minister Otto Arndt.

Both sides welcomed the results of the fourth summit meeting between Mikhail Gorbachev and Ronald Reagan as an important step on the path toward disarmament. They also emphasized the great significance that is to be attached to the International Meeting for Nuclear Weapons-Free Zones, which concluded a few days ago in Berlin, in the struggle to safeguard world peace.

During the friendly meeting, cooperation between the two countries on railroad matters covered by the governmental agreement concluded between the GDR and PRC were discussed.

The talk was attended by GDR Transportation Minister Otto Arndt and Xin Futan, PRC charge d'affaires ad interim in the GDR.

During the PRC minister's visit to the GDR, Otto Arndt and Li Senmao signed an agreement on the start of direct scientific-technological cooperation between the GDR Ministry of Transportation and the PRC Ministry of Railways. Minister Senmao also met with Hans-Joachim Lauck, minister for construction of heavy machinery and equipment.

Discusses Trade With Fenske

AU3006191088 East Berlin NEUES DEUTSCHLAND in German 29 Jun 88 p 2

[Text] East Berlin (ADN)—State Secretary Kurt Fenske, first deputy minister of foreign trade, received Li Senmao, PRC minister of railroads, in Berlin on Tuesday [28 June] for talks on further developing and strengthening foreign trade and economic and scientific-technological cooperation between the railroad industries of the GDR and the PRC. The interlocutors concurred that GDR exports in the field of railroad vehicle construction and industrial cooperation with GDR combines and enterprises are developing successfully. They discussed measures to expand deliveries for the PRC's railroads in the coming years.

Sindermann Receives Japanese Delegation

LD2806232688 East Berlin ADN International Service in German 1526 GMT 28 Jun 88

[Text] Berlin, 28 Jun (ADN)—Horst Sindermann, president of the GDR People's Chamber, member of the SED Central Committee Politburo, today received a delegation of the Japanese House of Councillors, led by Deputy Masatoshi Tokunaga, for talks in the People's Chamber building in Berlin.

Horst Sindermann and Masatoshi Tokunaga paid tribute to the progress achieved in relations between the GDR and Japan. They expressed the wish to deepen political dialogue and bilateral cooperation. The parliaments of both states are prepared to make a constructive contribution to this.

The partners in the talks exchanged experiences on the activities of their parliaments for securing peace and improving the international situation.

Horst Sindermann paid tribute to the successful course and the results of the International Meeting for Nuclear Weapons-Free Zones, held in Berlin.

It is now important to increase efforts to continue the process which began with the USSR-U.S. Treaty on the Elimination of Intermediate- and Shorter-Range Missiles, and to agree on further effective disarmament measures.

Homann Receives Philippines Vice President

AU0107103488 East Berlin NEUES DEUTSCHLAND in German 30 Jun 88 p 2

[Text] East Berlin (ADN)—Heinrich Homann, deputy chairman of the GDR State Council, received Salvador Laurel, vice president of the Republic of the Philippines on Wednesday [29 June].

The interlocutors stressed their states' concurring positions on efforts to strengthen peace and international security. They spoke in favor of further developing mutually advantageous relations between the two states.

The meeting at the official State Council building was attended by Heinz Eichler, secretary of the GDR State Council, and Rafael A. Gonzales, ambassador extraordinary and plenipotentiary of the Republic of the Philippines.

DIE WELT Reports on Internal SED Document

AU2906125088 Bonn DIE WELT in German 25 Jun 88 p 4

[Hans-R. Karutz article: "SED Document Shows What Honecker Really Thinks"]

[Text] Berlin—Party-state leader Erich Honecker admits internally that the East is superior in tanks. The party leadership is dealing "very seriously" with the problem of those wishing to leave the country and a solution to it. The GDR definitely rejects any discussion with the church about the clear discrimination against young Christians at school and work. East Berlin is not ready to permit Western newspapers in the GDR.

These statements of Honecker's are contained in an internal SED document which has only now become known in the West and was distributed among middle-ranking SED officials after Honecker's talk with Bishop Werner Leich on 3 March, in order to provide them with arguments. That, rather than the talks Honecker held with Bonn politicians, shows what he really thinks about specific subjects. DIE WELT documents and quotes the most important passages, which are formulated in indirect speech.

Regarding the disarmament problem, in his talk with Bishop Leich, Honecker made a statement that up to now he had not publicly formulated as definitive—the statement that "the Warsaw Pact has a certain superiority in tanks, and NATO in air forces. We are in favor of eliminating asymmetries, with the side that has more reducing...."

It also is noteworthy that in this talk—and obviously also in the document on the ideological "consolidation" of the party—in the resume available to DIE WELT, Honecker rejects all idea of perestroyka or glasnost in his own sphere. The document says on this subject: "Regarding perestroyka, he fully agrees with General Secretary Mikhail Gorbachev that every country must act in accordance with the conditions of its national development and its situation.... Regarding the overall development, the GDR solves its problems differently from other socialist countries. It welcomes and supports the process of change that is going on there."

Reference to a Book as an Answer [subhead]

Because of Leich's remarks toward Honecker—at the time Leich had emphatically pointed out the values and dignity of man also in the GDR—the SED chief found himself compelled to respond. However, he did so merely by referring to a recently published book on socialism and the GDR in the year 2000.

In his reply to Leich's remarks that people in the country consider the Wall a burden, it is revealing for Honecker to argue—and this is an argument that has hardly been used so far—that on 13 August the GDR had "got its Western border under control at the recommendation of the Warsaw Pact countries." He added: "Surely it is obvious that our citizens' lives have basically improved since 1961, even though we do not fail to see today that their demands are constantly rising."

The reproaches Leich made about the insufficient tourist and visitors traffic and about the arbitrary way it is handled by the authorities were countered by Honecker not only with the known figures, but also with a threat. The document says in this respect literally: "In this context Honecker discussed the behavior of the Western media. He said that one could not imagine that it would be possible to extend tourist traffic or maintain it at the present level if the virulent campaign against the GDR (he obviously meant the situation created by the police action following the Luxemburg demonstration—DIE WELT) were exacerbated."

"Correct Behavior" [subhead]

How important the GDR considers reports on it in by the Western media is revealed in this passage: "Correct behavior by the Western media in reporting on the GDR is an important prerequisite for the development of relations between the GDR and the FRG." On the subject of leaving the country, the general secretary said: "As far as leaving the country is concerned, Erich Honecker said that we are dealing seriously with the problem, however, it is not the church's business nor a matter of rogation services." "While many talks" were held with people who think differently, "there simply are some people who cannot be persuaded. That being so, they must at least respect the laws." Honecker categorically rejected a wish expressed by the church that would help ease domestic policy tensions: "Discussions by the church with the Ministry of Public Education are irrelevant because equal treatment of children is guaranteed."

Honecker made some very clear, qualifying statements on environmental protection. The essence: He is in favor of environmental protection, subject to economic conditions. The document says verbatim: "However, we have to remain realistic. In this respect Erich Honecker explained the GDR's situation regarding the procurement of material and energy primarily from its own resources. The GDR has to live with this situation and cannot just abolish its chemical industry."

Church Urges SED To Change Domestic Policy

AU3006141588 Bonn DIE WELT in German
30 Jun 88 p 8

[Unattributed article: "The SED Must Change Its Policy Now"]

[Text] Berlin/Bonn—The discussion of the Moscow reform course in and outside the GDR's churches increasingly assumes a political dimension. Reports have just now leaked to the public that 20 theses for domestic policy renewal in the GDR were not only presented at the Halle church congress last weekend, but had already played an important role in international working groups at the Rostock church congress in mid-June.

A group of persons from Wismar who want to leave the country wrote an open letter to the church congress management. Regional Bishop Christoph Stier and the church administration also have a copy of the letter.

Its authors seek understanding for their decision to leave the GDR. "Their experience of life has shown them the shortcomings and limits of their social system," so that they "finally did not see any other way out."

It is true, "many citizens do not understand this attitude," but "like the majority of our country's citizens," the signatories of the letter are "convinced of the necessity of change in the state's policy toward its citizens." This was the only conceivable way to "develop confidence" and "solve" problems "lastingly."

In its response, the "Mecklenburg regional committee" of the church congress takes up certain points of the letter and says about the church's efforts: "For some time now, the problems related in particular to defense training at schools, other troublesome aspects of public education, and military service have been broached at the federation level." Reading the letter at a mass rally precludes the "possibility to correctly discuss" it; this "could harm rather than benefit" the cause.

Free and Secret Elections [subhead]

The text of the demands: "The signatories request for their demand that:

—as a signal of the State's genuine peace readiness, defense training and premilitary training be abolished;

—the possibility of conscientious objection and a civilian substitute service be introduced;

—in the area of education, the indoctrination of young people be discontinued and replaced by training in love and tolerance;

—a comprehensive, democratic restructuring of society be implemented, including the introduction of the free and secret election of candidates who have really been nominated and confirmed by the people;

—the rights guaranteed by the Constitution be observed, and people who think differently not be criminalized, declared state enemies, and prosecuted;

—human rights as defined in the UN human rights convention be fully implemented;

—clear, legal provisions regulating travel possibilities for GDR citizens to the FRG and other Western countries be established, and refusals to grant exit permits remain confined to justified exceptions;

—the state organs and the media draw a picture of the GDR in accordance with realities, and a free and critical press be permitted that can publish opinions other than the official one;

—the state fully inform the public about any environmental damage caused by its economic policy, regularly release measuring data, and take effective measures to remedy existing and prevent future damages."

Finance Minister Presents Budget Report

LD3006154288 East Berlin ADN International Service in German 0939 GMT 30 Jun 88

[Text] Berlin, 30 Jun (ADN)—GDR Finance Minister Ernst Hoefner presented the 1987 budget account to the People's Chamber today. In his speech, he said that the 1987 budget account was a reflection of how the GDR had progressed along the road of the main task in its unified economic and social policy, which is the heart of the economic strategy. On the basis of the national economy's increased performance and labor productivity, and of a further lowering of unit input, the profits and the total net income of publicly owned combines and enterprises grew more quickly than the national income. The minister stressed that payments to the state budget, which increased by M10 billion in 1987, were the main source of financing for the planned increase in tasks of our socialist state for the policy of the well-being of the people and the safeguarding of peace.

The sixth meeting of the SED Central Committee confirmed that there was steadily growing success in the further shaping of new-quality economic growth, which is determined by the broad and effective utilization of key technologies, the minister said. It was in accordance with the unity of economic and social policy when progress in production was used to further improve people's lives. Good work for society also paid off for the idividual in our country. The present budget account reflected this in many ways.

For example, produced national income rose to more than M261 billion. Growth of 4 percent, or around M9 billion, was attributable especially to industry, which contributed M6.6 billion; the building industry, with M0.8 billion; and domestic trade, also with M0.8 billion; Ernst Hoefner said.

Performance growth and higher efficiency made possible a successful result for the 1987 state budget plan, the minister stressed. The high work results of millions of working people had resulted in revenues totalling M260.4 billion being obtained in 1987, thus exceeding the plan by 1.6 percent. Total expenditure amounted to M260.2 billion. The People's Chamber was thus being presented with a budget account in which revenue exceeded actual expenditure by M282 million. Accordingly, the surplus laid down in the Law on the 1987 State Budget Plan was exceeded and the stable development of the GDR state budget continued. The GDR's financial policy is based on the principle that only that which has been earned beforehand can be distributed and consumed.

In 1987, the costs in industry and construction were reduced by 1 percent.

Minister Hoefner recalled the statement by the sixth meeting of the SED Central Committee that a higher contribution from science and technology toward growth in the national income is necessary. This is particularly true of the key technologies. The economic strategy of the 11th SED Congress places significantly higher demands on investment. On presenting the tasks for the country's defense, public security, and border protection, the minister stressed: Through its own initiatives on reducing armaments, the GDR is taking an active and constructive part in putting peace on a stable basis.

In accordance with the meaning of socialism, the increased power of the economy is linked to further material and cultural improvement in the standard of living of the country's citizens. In the GDR, the human rights to education and social security, to work and performance-related rewards, just like all other connected rights, are written in the Constitution and are a verifiable reality. Extensive funds from the state budget, as well as from the combines and enterprises, are used for this on the basis of the 1987 plan.

Of deep significance for the life of citizens is the housing construction plan as the core of the SED's social policy. Altogether, the living conditions of every second GDR citizen have improved since 1971.

Minister Hoefner said that, in 1987 alone, 214,186 houses were handed over to the populace within the framework of the housing construction program in its unity of new buildings, reconstructions, modernizations, and maintenance. Thus, living conditions have improved for 643,000 citizens.

Ernst Hoefner stressed: Housing for GDR citizens is not a question of money. With justified pride we can refer to low and stable rents, which have remained unchanged for more than 40 years and which lie between M.80 and M1.25 per square meter in new houses. While the monthly rent thus makes up an average of less than 3 percent of the net income in workers' and employees' households, in the FRG, for example, it is more than 20 percent, and for a large number of low-income and young families, it often is more than 30 percent, or even more. Stable consumer prices for basic goods, services, and fares for the populace are also just as much a part of the climate of social security in the GDR. This makes it possible for citizens to buy meat, butter, bread, milk, and other basic foodstuffs, among other things, at the same prices as in the 1950's.

The finance minister stressed that every young person in the GDR is guaranteed an apprenticeship or a place in high school, and following their education, a job. He also mentioned free medical care and treatment, including stays in hospitals and convalescent homes, on the basis of the social security system. The care of work veterans, the old, and handicapped citizens has been and remains an especially humanistic obligation of socialist society.

An important concern of the state is to encourage an interesting, multifaceted, and stimulating cultural life, and to continually improve conditions for recreation, sports, and leisure.

Major Trade Accord With EEC Initialled

AU0107140988 Paris AFP in English
1250 GMT 1 Jul 88

[Excerpts] Brussels, July 1 (AFP)—Hungary and the European Economic Community have agreed to establish diplomatic relations, it was announced here Friday, a day after the two sides initialled a trade agreement that will eventually scrap all quotas on Hungarian exports to the EEC.

Under the announcement, Hungary becomes the first Comecon country to have formal diplomatic links with the Community. EEC External Relations Commissioner Willy de Clercq added that the trade accord "is the most substantial of all those envisaged with the Eastern Bloc" by the Community.

The 10-year trade and cooperation agreement will lift, in three stages until December 31, 1995, all current quota restrictions on Hungarian exports to the Community, and set trade on a "most favoured-nation" basis, on the same footing as exchanges under the General Agreement on Tarrifs and Trade (GATT), of which Hungary is a member.

In return, Hungary has undertaken to improve access to its market for EEC firms, said a spokesman at the European Commission, the executive organ of the EEC.

This would be achieved by ensuring fair distribution of import licences and allocation of quotas for consumer goods; giving "non-discriminatory treatment" to EEC companies in awarding contracts; providing full legal protection to intellectual property, in line with international agreements; and helping EEC companies set up in Hungary, in such areas as personnel recruitment.

Hungary also agrees not to give preferential treatment to barter trade, a familiar practice among Eastern European countries which are short of hard currency.

Under the "cooperation" side of the agreement, the two sides agree to talk together on developing sectors such as energy, transport, scientific research, tourism and the environment, as well as ways of improving the climate for investment.

The agreement marks the latest intertwining between the EEC and the Council for Mutual Economic Assistance (Comecon), the Eastern Bloc's "Common Market," since they signed a statement of mutual recognion last Saturday, concluded after 15 years of stop-start negotiations.

The signature has led to four other Eastern-Bloc countries asking for diplomatic relations with the EEC—the Soviet Union, East Germany, Bulgaria and Czechoslovakia. According to the Commission's figures, the EEC is Hungary's biggest trade partner after the Soviet Union. The Community accounted for nearly 18 per cent of Hungary's export business in 1987, and nearly 20 per cent of its imports. [passage omitted]

Mr. De Clercq said the trade accord marked "the latest step" in relations between Hungary and the Community "and a confirmation of the principle of parallelism that underpins these relations."

He especially stressed what he called Hungary's "vast programme of economic reforms," which aim at decentralising the economy and stimulating private businesses. [passage omitted]

Grosz on Relations With Romania, Water Barrage

LD3006105788 Budapest Domestic Service
in Hungarian 1000 GMT 30 Jun 88

[Excerpt] [Passage omitted on review of today's events] It is part of the day's events that during the assembly session interval foreign journalists buttonholed Karoly Grosz, party general secretary and prime minister. We were able to hear the prime minister's reply to their questions, that with regard to Hungarian-Romanian relations a meeting of minds on controversial issues must be affected in negotiations.

Karoly Grosz was then asked whether all this would be raised in negotiations in Moscow. The reply was that it was the affair of Hungary and Romania. He was also asked why construction work on the Bos-Nagymaros water barrage was not stopped. He said that just like with tailoring, the dress is cut according to size—it must be put on first and only then is a decision made. The issue here was whether to lose 30-40 billion [currency not specified] without gaining, or to gain energy at this price. Even more important than this, however, is that the Danube must be made navigable by the completion of the Rhine-Maine channel, otherwise we would lose a lot and this, too, must be studied prior to the decision.

More on Romanian Ties, Other Issues

LD3006200088 Budapest Domestic Service
in Hungarian 1630 GMT 30 Jun 88

[Text] [Presenter] Premier Karoly Grosz today held an impromptu international press briefing in Parliament House. Gabor Bankuti reports:

[Bankuti] While deputies debated on Frigyes Bercez's report inside the chamber of Parliament House, in the corridor, Karoly Grosz, who found himself surrounded by foreign journalists, held an impromptu press conference. He arrived at the door of the chamber a little before the bell was rung, and since there were still a few minutes to go, he started to chat with the editor of one of our weekly papers. Seeing this, U.S. journalists came up and asked whether they would be able to conduct an interview with him before his trip to Washington, since there is extremely great interest in the United States surrounding his trip. Naturally, I have thought of this, answered Karoly Grosz, but I thought it would be more profitable for you if we find time for this after my visit to Moscow next week.

This reply rendered it obvious that a shrewd U.S. colleague should immediately ask: What is your opinion of the Soviet party conference? After that a REUTER correspondent asked a question, and then it was again the turn of the Americans. In the end the conversation lasted more than 30 minutes. Since I did not have a microphone with me, I started to take notes; I will try to recall a few details of the conversation on the basis of these notes.

In answer to the question about the Soviet party conference Karoly Grosz replied that he is acquainted with the full text of Gorbachev's report: It has simply not been physically possible for him to get to know the contributions. On the basis of the report his opinion is that on every issue the spiritual harmony between the Soviet and the Hungarian parties is virtually complete, be it a question of the reform of the system of political institutions, the extension of democracy, or the existence of a political spectrum. I believe and I hope, he said, that the debate will strengthen the Gorbachev mentality. I do not believe, however, that everyone is equally enthusiastic for the changes. There are those who have misgivings, but I am confident that the conference will support Gorbachev's line. I do not say continuation, said Karoly Grosz, because what has been formulated in the report represents a qualitative change.

What is your opinion of multiple nominations, which deputy Zoltan Kiraly proposed yesterday at the session of the Hungarian National Assembly, they asked Karoly Grosz. The present proposal and double nominations are two separate things, and Zoltan Kiraly formulated this correctly. With regard to the future, it may be possible for the parliamentary party faction to decide to put up several candidates. Now, however, according to the rules of parliamentary procedure that are currently in force, he did not have the right to make a different proposal. For that, the session of the party Central Committee would have had to be reconvened. We had thought about this possibility. It was precisely for that reason that we sought in advance the opinions of the county groups of deputies, both the deputies who are party members and of those who are outside the party. And if they had not agreed in essence with the nomination, if they had desired multiple nominations there, the Central Committee would have complied with this.

They did have observations, a small number of them. For example, they raised the point that Istvan Stadinger is too connected to Budapest. But this is natural, since he has spent the large part of his life here. Starting out from this, we proposed a County Baranya deputy, in the person of Lajos Horvath, for the office of deputy speaker.

In answer to a question concerning the fact that there were also many votes against Istvan Stadinger, Karoly Grosz replied that this is what he considers natural. The first secretary of the Budapest party committee was elected on Monday with an even smaller majority. In his view it was the former 99 percent results that were the less authentic.

Does he maintain the position that direct negotiations are needed between Hungary and Romania, the premier was asked.

Naturally, went the answer. The differences in view can only be elucidated and the disputed questions can only be solved through negotiations. The only way we can understand each other is if we speak to each other. It is in the interests of both sides to resolve the temporary differences; after all, the two countries will remain side by side in the future as well.

Will he bring up the Hungarian-Romanian differences in Moscow, he was asked.

The reply: Our relations are the affair of Hungary and Romania and not of the Soviet Union. Thus, it cannot be the subject of talks there. At the most I shall reply to questions by Soviet journalists, if they ask me, just as I am replying to your questions.

Does not the Hungarian Government regard it as a mistake that it permitted the demonstration held on Monday?

The premier's answer was that the government did not have and does not have the right to ban a procession or a demonstration. According to our Constitution, its role can be only to prevent actions contrary to the Constitution and to ensure public order. Had the marchers attacked the Romanian Embassy, the authorities would have used force to defend it. There are international treaties obliging us to do that . However, the procession was conducted in a disciplined manner. Those marching asked for the maintenance of the existential security of their Hungarian brethren, the protection of the universal culture and, within it, the possibility of preserving the Szekler folk traditions. They were not demonstrating against Romania, nor against Romanian socialism, nor against the Romanian leadership.

Karoly Grosz was also asked for his opinion on the proposal rejected in a parliamentary committee which recommended that until the National Assembly discussed the matter of the Bos-Nagymaros water barrage, the work should be halted.

Karoly Grosz said in reply that first thorough and careful research has to be carried out and the decision must be made only on the knowledge of their results. After all, no less is involved than the possibility of the country incurring a loss of 30-40 billion forints without gaining any energy as a result, or gaining cheap energy through an investment of 30-40 billion forints. This is particularly so since the funds that would be freed by stopping the work could not be redeployed elsewhere, since there are valid contracts for 90 percent of the work, which were signed not recently, only 10 years ago. It also has to be taken into consideration that if by the completion of the Rhine-Main canal we cannot make the Hungarian stretch of the Danube navigable, the oceangoing ships cannot proceed beyond Vienna and we could lose a very great deal. Incidentally, power stations are being built along the canal as well, and there are already about 30 hydroelectric power stations along the Danube.

The government decided on the reexamination of the investment program as soon as January; after all, the program is at least 10 years old and circumstances have changed in the meantime. It is possible that by now it would be sensible to modify the order of the tasks, if that does not involve large losses.

This is how the improvised press conference ended. By the end there were at least 40 of us surrounding the general secretary of the party.

Stricter Romanian Border Area Rules Noted

AU3006135788 Budapest NEPSZABADSAG in Hungarian 29 Jun 88 p 7

[MTI report: "Stricter Regulations in Border Areas"]

[Text] The local Hungarian-language daily FAKLYA [Torch] published in Nagyvarad [Romanian name Oradea] reports on regulations governing the border area. Major Gheorghe Ardelean, the author of the article, points out that legal structures have been established to monitor the strict observance of agreements between the SR of Romania and the neighboring countries.

According to the regulations, any person who travels to any locality situated in the border zone must register with the local militia authorities and declare the purpose and duration of his visit. Workers in these areas can come to their workplace only with identity cards and special licenses with pictures. People employed in agricultural work or other similar activity must prove with their identity cards that they live or work in that area. During the night, traffic is permitted only on public roads within 2 kilometers of the border. At the same time, people can move in the outskirts of border zone localities only with special permits issued by the border policy commander. Tall plants can be planted only 50 meters from the border. The storage of hay, straw, or other products is forbidden within 500 meters of the border.

Fishing for sportsmen in the waters of the border zone is permitted only during daylight hours, and with the condition that these people have border zone residence permits issued by border police commanders, in addition to their identity cards. Among other things, the regulations also forbid people in the border zones to talk to persons across the border.

Romanian Charge Summoned Over Consulate Closure

LD3006143888 Budapest Domestic Service in Hungarian 1400 GMT 30 Jun 88

[Text] Hungarian-Romanian relations are seriously damaged by a measure that is unprecedented in the practice of socialist countries; the Romanian party and state leadership have closed down the Hungarian consulate general in Cluj-Napoca.

This was said by Istvan Oszi, deputy foreign minister, when he summoned Ioan Chira, the temporary charge d'affaires of Romania's embassy in Budapest, today.

He emphasized that the excuse given by the Romanian leadership for the measure—the Budapest demonstration—was carried out within legal frameworks, and the participants raised their voices against the descrimination against national minorities living in Romania. The demonstration was not directed against the Romanian Socialist Republic, but took a stand for the friendship of the Hungarian and Romania people. It was free from nationalist and chauvinist manifestations, said Istvan Oszi, deputy foreign minister.

Foreign Office Statement on Closure

LD3006152288 Budapest MTI in English 1421 GMT 30 Jun 88

["Announcement of the Hungarian Foreign Office"—MTI headline]

[Text] Budapest, June 30 (MTI)—Istvan Oszi, deputy minister of foreign affairs asked the temporary charge d'affairs of the Socialist Republic of Romania, Ioan Chira, to appear at the ministry and informed him of the Hungarian stand on the Romanian decision of closing down of the Hungarian Consulate in Kolozsvar (Cluj-Napoca).

He stated that the Hungarian Government has taken notice of the Romanian decision with regret and calls the attention of the Government of the Socialist Republic of Romania to the fact that the step is completely contrary to the existing agreements of our countries, with the standards of European cooperation, the Helsinki final document, and the agreements of the Madrid follow-up talks. The measure which is unprecedented in the practice of the socialist countries seriously damages Hungarian-Romanian relations.

He pointed out that the demonstration in Budapest, which was used as an excuse for the measure by the Romanian authorities, was carried out according to law, and the participants raised their voices to make headway in the field of human rights and against the limitation of humanitarian relations and discrimination against the national minorities of Romania. It was not directed against the Socialist Republic of Romania, its social order and socialism. The demonstration called for the friendship of the Hungarian and Romanian people and was free of nationalistic-chauvinistic reactions. The Hungarian authorities, in agreement with the international obligations of the Hungarian People's Republic took painstaking care for the security and undisturbed operation of the Budapest embassy of the Socialist Republic of Romania.

The deputy minister of foreign affairs explained that the Government of the Hungarian People's Republic continues to search for a solution to the disputed issues not by restricting relations but with unchanged persistence and perseverance in the field of the development of the Hungarian-Romanian relations and strengthening the friendship of the two nations.

Romania Reportedly Cancels Hungarians' Trips

LD3006110888 Budapest Domestic Service in Hungarian 1000 GMT 30 Jun 88

[Excerpts] The rumor is spreading in Budapest that organized holidays to Romania are being cancelled. Maria Szabo, head of department of the Hungarian Tourist Agency tells Peter Szorenyi how much of the news is true.

[Begin recording] [Szabo] Yesterday, the Romanian partner informed us by telex that three of our groups setting off in the near future cannot be received due to technical reasons. Of the three groups, two were seaside holidays; they were groups which would have set off on Sunday and Monday. The third is a mini-tour of Transylvania. This group has already set off, but we managed to contact them and the program has not been disturbed, so they do not know about this cancellation.

[Szorenyi] How is it possible that something has been cancelled and the program is carrying on undisturbed?

[Szabo] Our partners cancelled the group but obviously they have not yet informed the hotels. We spoke to the group yesterday; they are having a good time and everything is in order. [passage omitted]

[Szabo] We will offer one group the same holiday at a later date, because as yet we have only had cancellations from the Romanian partner for these three groups. So the other groups are going. [passage omitted]

[Szorenyi] Does it happen often that three or four trips are cancelled for these kinds of technical reasons?

[Szabo] Well, it has never happened before. We hope that it will not be repeated. [end recording]

Associations Protest Romanian Plans

Federation of Hungarians

AU3006122588 Budapest NEPSZABADSAG in Hungarian 29 Jun 88 p 8

[Unattributed report: "The Presidium of the World Federation of Hungarians Holds Meeting—Rich Program for Visiting Hungarians—Position Against Romanian Settlement Destruction Plans"]

[Excerpts] The Presidium of the World Federation of Hungarians held a meeting on 28 June and discussed a report on the festive events to celebrate its 50th anniversary. [passage omitted]

Following a debate, the Presidium adopted a position according to which the World Federation of Hungarians is deeply interested in the fate of Hungarians who live beyond Hungary's borders. Therefore, it is deeply shocked and concerned about news on further measures against the Hungarians living in the SR of Romania.

The Presidium of the World Federation of Hungarians regards the Romanian settlement reorganization plan as a new attack on general human rights that is alien to any civilized and progressive ideals and practice, and as an attack on national minorities, in particular on the Hungarian national minority in Romania. Therefore, the World Federation of Hungarians firmly condemns any measure—anywhere in the world—that harms human rights, interests, and the feelings of Hungarians in the world, and it firmly protests Bucharest's plans.

In full harmony with the firm position on the issue of Hungarian minorities in Romania taken by various foreign and Hungarian associations and private persons, the Presidium of the World Federation of Hungarians protests these state-level measures of oppression, and counts on further support in this issue. [passage omitted]

Other Associations Protest

AU3006125888 Budapest MAGYAR NEMZET in Hungarian 29 Jun 88 p 5

[Text] The Hungarian Committee of the International Council of Monuments and Historical Sites—ICOMOS—sent a letter to the chairman of this international organization and the heads of its member organizations to protest the Romanian plans for settlement reorganization. The letter stresses that the Romanian decision represents a double threat to the architectural heritage. On the one hand, by destroying 8,000 villages, one of the most ancient settlement cultures in Europe would disappear. On the other hand, the planned rebuilding of the remaining villages, which would considerably increase in population, would also cause great harm. Therefore, the Hungarian committee calls upon ICOMOS to directly express its protest and turn to UNESCO with a similar request to make use of every available means to halt the implementation of this plan.

The Presidium of the Budapest Association of Art Supporters, which represents members in Budapest and in the provinces, joins those who have so far expressed their protest at the Romanian plan, at the destruction of 8,000 villages in the neighboring country, and at the expulsion or dispersal of the Saxons, Romanians, and the Hungarian minority that constitutes the majority in these villages.

In its session on 28 June, the central leadership of the Health Workers Trade Union expressed in an open letter its protest at the planned destruction of several thousands of villages in Romania.

Further Reported Protests

AU3006130988 Budapest NEPSZABADSAG in Hungarian 25 Jun 88 p 21

[Text] In defense of universal culture, several Hungarian organizations continued to deal with the problems facing the national minorities in Romania.

From its professional and political commitment, the Hungarian Pedagogical Association protested the so-called settlement reorganization plans in Romania on behalf of Hungarian teachers, and, with their help, it called upon the Romanian teachers.

At its session of 24 June, the National Council of Consumer Cooperatives decided to send an open letter to its Romanian counterpart, the CONTROCOOP [Central Union of Cooperation, Production, Purchasing, and Sale of Goods], to oppose these measures, which are detrimental to the national minorities in Romania.

In an open letter addressed to its Romanian counterpart, the Federation of Hungarian Photographers joined all the other associations who demand and support the modification of the planned measures, stressing that the national minority issue is a vital one in all the areas of the world, but particularly in this part of Europe.

On behalf of its 100,000 members, the Hungarian Nature Study Association joins all those who have responsibly raised their voices against the forced destruction of villages in Romania. The association called upon its members to propagate by their acts and words the sanctity of friendship among peoples and the universal nature of human values.

Foreign Affairs Expert Views CPSU Conference

LD3006155488 Budapest Domestic Service in Hungarian 2000 GMT 29 Jun 88

[Text] [Announcer] We have asked Gyula Tuermer, a foreign affairs expert of the MSZMP Central Committee who deals with the Soviet Union, to let us have his first impressions of the Soviet Party conference:

[Tuermer] The Soviet party central secretary specified political reform as the key issue and the most important task in today's circumstances. He said that if the political system remains immobile, unaltered, then we shall not prosper with the tasks of transformation either. For this reason I think that his political reform package, his package of measures, his series of programs, represent a very serious political and theoretical achievement. I believe their importance and significance lies first and foremost in that, amid the present-day circumstances of socialism, with the radical renewal of the system of soviets it is being made possible for millions of working people to become active participants in the real social processes.

[Unidentified reporter] What does this so-called presidential system—to which Mikhail Gorbachev alluded in his speech—mean? Is this also a novelty for you?

[Tuermer] The presidential system, as a proposal, is a novelty in today's circumstances, and I think that it is almost unique in the history of the Soviet Union, too. It is true, and it is a very important virtue of this proposal, that it relies on the historical, concrete historical, experiences of the period after the 1917 revolution. Let us just recall that at that time the Soviets also convened a congress. The then Soviet congresses also elected a president. Thus, they marked out a function that played a really important role in the life of the state and the party.

Amid today's concrete circumstances I believe the most important significance of the proposal lies in the fact that, in the conditions of the one-party system, the party undertakes to subject itself to the repeated control of society. For if, as has been proposed, the party general secretary is elected state president, this would mean that not just the 19-million party membership of the CPSU would have to formulate its opinion, but also a significant proportion of the population of 280 million would have to do so.

[Reporter] I think that another feature of extremely great significance, political significance, is that the elements of a practically 70-year-old political situation, revolutionary situation, are being taken up again nowadays.

[Tuermer] I agree with your assessment. It is a very important characteristic of today's policy that it reaches back to the Leninist times, that it takes up the most positive and favorable experiences of Soviet history. This is an important value, which in our present-day circumstances represents, I believe, a utilizable experience, in a modernized form.

[Reporter] We know that Karoly Grosz, HSWP gesneral secretary and government chairman, shortly will be going to the Soviet Union, a few days after the party conference. Does this have any political ordiplomatic significance for us?

[Tuermer] I, as a staff member working in the foreign affairs department of the Hungarian party, think that the fact that this visit is to take place immediately after the Soviet party conference is a mark of esteem. It also provides a good opportunity for us to compare our experience, not long after the MSZMP'S national conference and the conference of the Soviet party, and for a very honest exchange of opinions about the tasks facing our party and the Soviet party.

Further Summary of 1st Day's Assembly Session

LD3006102388 Budapest Television Service in Hungarian 1730 GMT 29 Jun 88

[Roundup of events at summer session of Hungarian National Assembly on 29 June in Budapest, including interview with Minister of State Imre Pozsgay; interview with Justice Minister Kulcsar; interview with Culture and Education Minister Czibere; Interview with National Assembly President Stadinger; report on speech by Rezso Nyers; and speech by County Csenograd Deputy Zoltan Kiraly—recorded]

[Excerpts] We now have a detailed roundup on today's events at the summer session of the National Assembly.

[Unidentified correspondent] [passage omitted] Here is Imre Pozsgay, after the festive taking of oath. You took the oath of office a few minutes ago. What will your business be as minister of state?

[Pozsgay] My task is beginning to take shape; the appropriate political intentions are ready for it. I believe that the government will decide in detail on this.

First and foremost, I must take part in staving off the one-sidedness of the government, inasmuch as I have to deal with strengthening the social relations of the council of Ministers, with the various socio-political organizations, interested representations, and with the people's initiatives of citizens. This is inseparable from the work of the legislature. In order for executive power to be a genuine factor of legislation and a preparer of it, I believe that this relationship must be reevaluated. I believe I shall also have some very important taks in this.

Alongside all this, I must take part in the settling of numerous other kinds of social issues—in clarifying the image which the nationalities have of the country and in everything connected with this, and in the relationship between government and the sciences, not merely being one of appearance, but rather as an active and effective relationship. For these affairs a very high degree of openness must be created in the spirit of the freedom of the press and the freedom of speech. Thus I must deal with television, radio, public opinion polls, the MTI, and the government newspaper. Concisely and briefly, perhaps I can say that much about my tasks.

[Correspondent] You recently, in particular at the party conference, were considered to be someone who very resolutely worded, and raised, ideological issues. However, the spheres of activity you have listed require numerous specific, practical measures, and planning. Which will be to the detriment of the other, or are the two activities compatible?

[Pozsgay] I am setting forth in the hope that the two are compatible. My experiences in the PPF also bear witness that this can be done. Doubtless it is true that it has always been very important for me to think about the intellectual condition of society. In order to do this one has to analyze the ideological and social connections, and if necessary, to formulate theoretical ideas on this. Sometimes I succeeded, sometimes I provoked debate with it—that also is true.

I believe that there will be more practical administrative tasks. But I hope that I will not become lazy, and that perhaps I shall be able to assert the aforementioned intellectual connections. [passage omitted]

[Announcer] Kalman Kulcsar [newly elected minister of justice] gave our correspondent a brief interview in the break.

[Correspondent] If the oft-mentioned and promised reform of the political institutions system is realized, it obviously will not pass by without leaving a trace in the legal and judicial sphere. What basic changes, perceptible to the laymen, are you expecting?

[Kulcsar] The most important change is that there should be a legal order with constitutional foundations, on whose basis every citizen and every organization functioning in the economy or elsewhere is able to predict, in the long-term, the consequences of its conduct. Naturally, very many changes are necessary for this. The Constitution has to be reviewed. A good number of laws are necessary which are outside of, but connected to, the Constitution. In connection with the company law, which is now being prepared, a complex set of regulations which do not contradict one another must be shaped which provides economic life with what the constitution and legal regulations connected to the Constitution provide political life.

[Correspondent] The interrelationship of various systems of political institutions and other institutions probably will have to be reevaluated. Are you counting on the legal consequences of this?

[Kulcsar] To be sure, since in the final analysis everything will have to be legally regulated. The already-known convergence points on the one hand concern the increase of the role of parliament. Changes are already appearing in the relationship of government and parliament, especially the transformation of the judicial organization system; I am thinking here of the setting up of the Constitution Court. All of these will have to appear as institutions which are legally regulated, and it entails considerable legislative work.

[Announcer] [Passage omitted] After the taking of oath, we asked Culture and Education Minister Tibor Czibere about his plans.

[Correspondent] You were a mechanical engineer and rector of the Miskolc Technical University. The interconnection is apparent and obvious. You are now being given the task by the government of solving the problems concerning the training of technical specialists. Do you agree with that?

[Czibere] Yes. I believe that my main task, or perhaps my first task, is to solve the problems of technical higher education. This has to be so because if we want to assist our country's economic resurgence, this cannot be done without the technical intelligentsia. In the training of the technical intelligentsia, technical higher education plays a determining role. Therefore, if we want a technical intelligentsia which takes an active, dynamic, and collaborating role in the resurgence, then the first task of the education and culture minister is in this sphere. [passage omitted]

[Announcer] The new National Assembly President, Istvan Stadinger, thanked the deputies, also on behalf of Deputy President Lajos Horvath, for the confidence placed in them.

[Stadinger] Permit me to thank you with my first words for your trust with which you have promoted us to these high posts. I assure you that we shall carry out our work in accordance with the letter of the prevailing statutes, the spirit of constitutional procedure, and the spirit of fellowship among deputies.

[Correspondent] We have asked the new president of the National Assembly for a brief interview. How is the new president of the National Assembly?

[Stadinger] I am well.

[Correspondent] Your election was preceded by a rather stormy session.

[Stadinger] Yes; both my nomination and the election itself took place within the framework of very sharp political debates. Thus, the 63 percent with which I was elected president of the National Assembly is more valuable to me than a monolithic 100 percent would have been.

[Correspondent] After your election you said that you wanted to increase this 63 percent, that you wanted to increase the number of those satisfied with your activity. How do you intend to achieve this?

[Stadinger] As we have just seen, the work of the National Assembly is not simple. In today's world, when legislating is gaining in importance, as is the control exercised over the work of the executive power, it causes not inconsiderable problems to ensure—working in accordance with old rules but in a new spirit—that all the considerations of constitutional procedure and deputy fellowship are realized. Thus, although I think it is necessary to improve, modify, and transform our statutes in line with the present requirements and conditions it is still possible to improve the work as regards the activity itself and the relations with deputies, involving them more closely in preparing the laws. The goal of doing this is not to have fewer debates—on the contrary, let there be more debates, let there be real debates, expressing the deputies' views on real, substantial issues.

[Correspondent] Will the statutes of the house be altered in order to have real debates?

[Stadinger] Yes, the statutes will have to be improved this year. [passage omitted]

[Announcer] The data of the 1987 end of year accounts are in harmony with the prior information which the Finance Ministry gave to the National Assembly in December last year, said Rezso Nyers at the beginning of his contribution. This fact proves that we have now fortunately avoided what is often the hurdle of the year's planning; that is taking the previous year into account inaccurately. He then continued his speech as follows:

[Nyers] The MSZMP is now concentrating its political influence toward the success of the financial strategy, that political confidence should be created once again, and that the country get back on the track of long-term modernization. With this in mind, and by regaining its impetus, the country should progress toward a socialist-type market management, a socially secure existence, and a developed democracy.

For this, the united strength of the government and the National Assembly is needed. We need to extend the reform process to the political institutions, to the constitution, to property relations, and to the organizational forms, to social security and social policy, to the budget policy, and to budget management. If these programs take on a specific form, turn in part to action, then the much needed economic policy turnabout mentioned here will begin this year and will unfold in 1989.

The report relating to management in 1987, in my opinion, realistically depicts the situation and the national performance. It does not say more good things than can be proved; it does not hide weaknesses or mistakes. We get a clear picture of the country's financial situation, of the reduction in deficits in the three so-called great comprehensive financial balances. This shows that the nation's economy, really as the government says, has moved in the direction of equilibrium. But, it is true, not yet at a satisfactory pace.

With the 34 billion [currency not specified] budget deficit, with the $350 million deficit in the foreign trade balance, and with the over $1 billion balance of payments deficit—these are the data last year of the three great balances—truly we have not yet come even close to financial consolidation.

The National Assembly must spur on the government to increase its efforts so that in 1988-89 a durably active foreign trade balance will come about. I do not know and do not dare to name the sum of the assets, but it must be significant. The state budget should balance and we should approach an equilibrium of the current balance of payments.

In the Hungarian economy last year, and this year, too, a rather strong inflationary pressure is appearing, which pushes costs and prices up. We could hear many examples of this here at the session. According to all the signs, we can unfortunately count on this pressure not decreasing in 1989, since we have not managed up to now to force the roots of inflation—high costs, financial deficits, the too large financial supports, and the relations which restrict competition—out of economic life.

The intensive transformation of the structure and the reduction of supports for enterprises, as a matter of fact, will also have the effect of raising prices. In such circumstances we now have no other possible choice but to keep the price rises within a program framework. In the meantime, with a wide range of economic policy tools, we must resolutely confront over many years the true malady causing aspects of inflation. It is a condition of success that the struggle be carried out not just in the framework of a year.

The task of improving the balance of payments requires particular examination and solutions. In today's situation, as was also said by the finance minister, increasing the assets of the trade balance in itself is now not enough. For this we must find a variation, a combination of credit, interests, and capital movements, which satisfies the creditors, and which for us means a most favorable solution.

A solution in my view should not be sought by rescheduling credits, but mainly by subsequently transforming into operating capital that capital which came in before. By this we should connect foreign firms to the Hungarian economy which are of a high technological standard. The company law which is being prepared provides considerable help for this, but we must be able to make use of the law, and this is still a big task.

We must continue to give a high qualification to the central financial support of the enterprise sphere, which led to the disproportionate enterprise connections of the state budget. As we see from the report, a large portion of the various taxes taken from the enterprises—some 40 percent—was taken away so that the state might regroup that amount for supporting the production and export of other enterprises. This trend, as we have heard, is predominant in 1988. It will be difficult to overcome this, but we shall have to overcome it.

The enterprises' tax burdens could be considerably reduced by a rational and proportionate reduction of subsidies. In this way the profitable enterprises would have greater development possibilities. This is one of the tasks of the future.

The consumer price subsidy amounting to 67 billion [currency not specified], is also considerable. But I still make no objection to it, because nowadays for the most part this support is directed toward branches of consumption—given preferential status also in social policy—such as for example public transport, domestic energy, medicines. In this sphere, therefore, the task is rationalization rather than reduction.

At the same time I would like to draw the government's attention to the following: It should not try to ease the inflationary pressure appearing in the sphere of consumer prices by further compensatory supports, but by promoting competition by exerting pressure on producer costs.

The creation of a unified internal market within the European Community, scheduled for 1992, will open a new phase in the process of West European integration. At the same time, a new situation will also be created for countries outside the community. It is common knowledge that the European Community today is among the most significant foreign partners of all the European socialist countries, including Hungary. Therefore the changes there will affect us in many ways. We can have no choice other than to adapt in a wide range to the unified West European market.

We consider that a commercial policy relating to this, and the tactical approach, will have to be worked out also on the side of the CEA community. And the independent Hungarian initiatives—such initiatives exist already—should be intensively continued.

It is advisable that the administration, in its commercial policy, should treat the problem of the improved utilization for Hungary of the possibilities offered by the unified West European market as nearly identical in rank with the CEMA relations. [passage omitted]

[Correspondent] Dr Ferenc Kiraly, a family doctor from Szolnok, said that nowadays people can hardly take on any more material burdens. Afterward the deputy also spoke about the construction of the Boes-Nagymaros water barrage.

In his view, public opinion is divided on this. His proposal is that the government, after listening to correct expert opinion, should put a halt to this unfortunate debate.

County Csongrad Deputy Zoltan Kiraly added his own thoughts to this.

[Kiraly] In the interest of the savings measures which could be realized by the Hungarian side, I propose that a comittee—a special committee—should be formed without delay from the ranks of the National Assembly members in order to study the affair. The special committee should submit its report to parliament at the September session.

The National Assembly should also ask the government to suspend, during this period the work on redirecting the Danube into the new, temporary Visegrad channel, which is connected to the construction of the Nagymaros water barrage. The suspensioin should be in force until 31 August 1988.

Disregarding the hitherto Hungarian specialist institutions which are committed, pro and contra, in the affair, the government should seek possibilities for a cheaper, thriftier solution, by asking unprejudiced, if necessary foreign experts, for their opinions. On the basis of the experts' opinions, the government should work out, while work is suspended, an extraordinary proposal for a cheaper, thriftier solution, for a postponement of the construction work on the Nagymaros water barrage, and for a halting of investment.

The National Assembly's Planning and Budget Committees, Settlement Development, Environmental Protection, and legal committees, should discuss the alternative government proposals either at a separate or at a joint session. And finally, as was said at yesterday's MSZMP Politburo session, by way of a National Assembly proposal in the fall session, the National Assembly should discuss this issue on the basis of government proposals—if possible in September.

Finance Minister's Address

LD3006165388 Budapest MTI in English
0840 GMT 30 Jun 88

[Text] Budapest, June 30 (MTI)—The summer session of the Hungarian National Assembly continued on Thursday with Miklos Villanyi, minister of finance, answering the questions of the deputies on the implementation of the 1987 budget.

Present in the chamber were Karoly Grosz, general secretary of the Hungarian Socialist Workers' Party and chairman of the Council of Ministers, several other members of the Political Committee of the HSWP, the secretaries of the Central Committee and members of the Presidential Council and the government. The diplomatic corps were also represented.

The minister of finance responding to the debate said that the financial administration shares the proposals put forward, namely the closer investigation of budget and credit relations, their exposure and reporting to the parliament, the need for more accurate analysis of the processes, the assessment of the impact of internal and external debts on the daily economic policy.

He emphasized that the leaders of the fiscal policy agree with the need for reducing the redistribution role. This, however, could only be a long-term process and requires the support of the whole government, parliament and the social organs. Basically at present, the reduction of the unreasonably extensive subsidies is at issue. We take it on ourselves—with all its conflicts—but the resulting consequences should be carried by everybody at their own field of work, he emphasized.

Miklos Villanyi called attention to the fact that it is unwise to study exclusively the sum of subsidies when the producer and consumer price system of Hungary strikingly differs from those of the CMEA countries and this way wiring the commodity and financial relations into the national economy could only be accomplished with extroardinarily manifold financial operations.

The minister of finance recognized that the phasing out of the consumer price subsidies distortions strongly influences some social strata but regarded the measures well founded.

He promised that in the near future more consistent procedures will be implemented and the conditions of re-consolidating of permanently loss making operations will be more stringent. He agreed with the proposal that in the future the government should not take new loans for financing company losses and re-consolidation including the floating of government bonds. He found proposals which called for the setting up of a highest state audit office and the elaboration of a new legal status for the National Bank of Hungary merited study and implementation.

On the large investment projects Miklos Villanyi emphasized that the development magnitude of the fiscal expenses is not exaggerated in his view but the means 'should better be made compliant with the aims of our structural policy, that is, we should not invest money in loss making or long payoff time projects.'

He also agreed with the request of the MPs that the armed units and defence branch expenditure should be adjusted to the new situation and in this field saving should also have to be implemented.

Later he emphasized that in the work of the administration the elaboration of large scale reform measures is underway. The autumn session of the parliament will discuss the association law and the bill on the unified entrepreneural taxation, unified social security contribution is also on the agenda, state organs will discuss in the near future the long term subsidy policies covering several years, the concept of the fiscal reform was already elaborated, work is underway at the National Planning Office on reform of planning; the social security reform is also being elaborated and decision was taken on the important question of separating the social security fund from the budget from January 1, 1989. Further price reform steps are under elaboration and the questions of wage policy, wage system and wage reform are also under study.

He announced that for the coordination of complex work a separate commission was set up. To decide if such a commission were needed in the parliament as well, remains with the National Assembly.

Miklos Villanyi responded to the MPs questions on the Nagymaros-Gabcikovo water power plant project. He read the letter by Laszlo Marothy, minister of environmental protection and water management, to the parliament announcing, on behalf of the government, that after careful preparations a report will be submitted to the parliament in the second half of this year. The Council of Ministers offers an opportunity, prior to the deadline, for each interested MP for local visits. The government is open for discussing the issue in the parliament and is ready to defend its position. They are also open to many of the proposals of MP Zoltan Kiraly but the closing down of the construction work was rejected by the competent parliamentary commission. Such a measures would have domestic economic consequences and damaging impact by the violation of international agreement.

Following the responses of Miklos Villanyi, minister of finance, the presiding [as received] Lajos Horvath asked MP Zoltan Kiraly if he requested a separate ballot for judging his previous proposals related to the Nagymaros-Gabcikovo project since these are not closely linked to the discussion of the budget of 1987. The MP asked for a separate decision on his proposal. The MPs, with an overwhelming majority, found such a proposal unjustified.

Lajos Horvath confirmed that due to the inter-state obligation of the government stipulated in international agreement the present decision of the parliament is not requested. He made the motion that the deputy's proposal be investigated by the competent commissions of the parliament and reported it [as received] to the autumn session. This solution was approved by the parliament with eight abstains.

Thereafter taking resolution followed: The parliament approved the bill on the execution of the budget for 1987 in general and details according to the original text [with] 4 nay and 10 abstains.

According to the agenda Frigyes Berecz, minister of industry, reported on the tasks of industrial restructuring.

Industry Minister's Address

LD3006171988 Budapest MTI in English 1426 GMT 30 Jun 88

[Text] Budapest, June 30 (MTI)—According the adopted agenda of the Friday session of the parliament, [Industry Minister] Frigyes Berecz made a report on the tasks of the industrial restructuring.

The minister pointed out that the government's working programme approved last year made the transformation of the economical including the industrial structure as the most important task of the stabilization and advancement.

He said that the performance of the Hungarian industry hides great inequalities.

—The differences in the technical level of the products, quality, production efficiency and company organization all appear at the same time. The competitiveness of the Hungarian goods deteriorates and despite the continuing increase in our exports our share in the world trade dropped from 0.7 per cent in 1980 to 0.4 per cent.

—The differences are great not only in the products but in the industrial corporate performances. The industrial coops, small ventures, the private small industries make a relatively good use of their opportunities. Almost 3 per cent of the industrial corporations are able for the manufacturing of goods at world market standards and 12 per cent is more or less able to keep abreast of the competitions, another 50 per cent could get along without further subsidies and the remaining 35 per cent should be subsidized to a smaller or greater extent. Among these latter ones a group of chronically loss making and increasingly hopeless companies appeared which included 5 large, 50 middle sized and small companies. Their combined annual loss exceeded 2 billion forints, that is 2.2 per cent of the total industrial profits. The sum of the different fiscal subsidies in the industries supervised by the Ministry of Industry exceeded 50 billion forints in contrast to the 195 billion forints revenues. The average efficiency of the industrial corporations is only 30-40 per cent of their staff and asset related expected capacities...[ellipsis as received] The reasons for the lagging behind should be sought in the conditions of the manufacturing, the shortages of manufacturing tools and their outdatedness, emphasized the minister.

The minister pointed out that the industrial restructuring is not a campaign but a longer term continuous activity. Success depends on how efficiently we are able to get integrated into the world economy and how we couple our development to others and how able we are in raising interest for cooperation with us on mutually beneficial basis at a much greater extent than at present. It is decisive that besides the simple commodity trade the import of know-how, engineering and experience be increased.

—The safe energy supply is indispensable for the balanced development of the economy. The domestic oil and natural gas output cannot be increased further and even—in the long run—we have to calculate with the gradual depletion of the resources. Only the economically efficiently recoverable part of the coal deposits are included in our plans. The available useful water energy is negligible. Therefore atomic energy should also in the future be used for the production of electric energy. At the same time even the planned 2 x 1,000 mw expansion of the Paks atomic power plant would only partially cover the increased demand. In the energy supply of Hungary the imports will play a great role in the future.

The minister emphasized the selective development of individual industrial branches. He pointed out that in the past two decades machine industry was the most dynamically developing branch of the industry. Speaking on the development directions of the machine industry he highlighted electronics and car manufacturing. In electronics the reasonable development of spare part manufacturing is the most important task. Car manufacturing, if it is economically feasible, is important for the background industries of the Hungarian economy.

The minister also said that the streamlining of the industrial structure will doubtless reduce the branch's demand for manpower. But efficient employment and practically full employment can be brought in harmony with the exploitation of the national economy's potentials. Listing such opportunities he pointed out, among others, the present practice of filling more than one job to increase income. If the same performance and income could be achieved in a single, 40 hours a week job and with economic means—including wage reforms—we make overtime and second jobs needless, then more people could be employed.

The minister spoke with special regard on the effect of the industry on the environment and its protection. He emphasized that prevention is the most efficient and relatively the cheapest way of environmental protection: harmless technologies should be applied. However, if the use of risky technologies is unavoidable then the safety should also be planned as it is the case with the Paks atomic energy plant's advanced technology. This is the new notion of environmental economy. In this case we have to reach understanding with the public. The most purposeful thing is if the plans are discussed in advance with the involvement of each interested parties and during the debates the best solutions for the affected parties are reached.

The minister of industry also said that for the development of both industry and economy the establishment of stable economic environment for the long term is needed which stimulates efficiency and performance. What these more favorable conditions could be? Predictability, asset-directed motivation and asset guarantees, development stimulating economic regulation and credit policy, the internal and external convertibility of the foring, possibility of capital involvement and imports...[ellipsis as received] The operational regulations of such an economic environment would be reasonably incorporated in an industrial act regardless of the property forms and industrial branch position which would provide equal chances and security for each person and community which takes on industrial ventures, pointed out Frigyes Berecz, minister of industry.

2nd Day of Session Ends

LD3006192688 Budapest MTI in English
1720 GMT 30 Jun 88

[Text] Budapest, June 30, (MTI)—On Thursday, the second day of the summer session of parliament, the report of the minister of industry, covered earlier, was followed by a number of contributions, then Speaker Istvan Stadinger closed the debate. The session is to continue on Friday with Minister of Industry Frigyes industrial restructuring. [sentence as received]

Biographies of New Officials

LD2906200088 Budapest MTI in English
1634 GMT 29 Jun 88

["Biographical notes"—MTI headline]

[Text] Budapest, June 29 (MTI)—Bruno F. Straub, president of the Presidential Council

Born in Nagyvarad on January 5, 1914. Graduated from the medical faculty of the Szeged University and started research work beside Albert Szent-Gyorgyi in 1933.

From 1937 to 1939 studied in Cambridge and became associate professor in 1941. From 1945 to 1949 full professor in the Szeged University, and from 1948 to 1970 director of the Institute for Medical Chemistry at the Szeged Medical University. From 1970 to 1978 chief director of the Szeged Biological Centre of the Hungarian Academy of Sciences and deputy president of the National Atomic Energy Committee. From 1978 until retirement director of the Institute for Enzimology of the Szeged Biological Centre.

Bruno F. Straub became corresponding member of the Hungarian Academy of Sciences in 1947 and full member in 1949. In 1985 he was elected deputy president of the academy.

Member of parliament since 1985 and president of the Parliamentary Commission of Regional Development and Environmental Commission since its establishment.

His excellent scientific work was honoured by two Kossuth prizes.

Istvan Sarlos, deputy president of the Presidential Council

Born in Budapest on October 30, 1921. Graduated from the faculty of arts of the Lorand Eotvos University. Teacher by original profession. Member of the party since 1939.

After the liberation holder of various posts in the party and various mass organizations. From 1959 first secretary in the 6th district party committee of Budapest, and from 1936 to 1970 chairman of the Budapest Metropolitan Council. From 1970 to 1974 editor-in-chief of "NEPSZABADSAG" and from 1974 to 1982 general secretary of the National Council of the Patriotic People's Front. From June 1982 to December 1984 deputy chairman of the Council of Ministers and then speaker of parliament.

Member of the HSWP Central Committee since 1966 and of the Political Committee from 1975 to 1987. Member of parliament since 1963.

Istvan Stadinger, speaker of parliament

Born in Keszthely in 1927. Until 1945 worked in his original profession as an air mechanic. Member of the party since 1945.

After the liberation became party worker and from 1951 filled various economic posts.

Manager of factories and from 1962 general manager of the metropolitan gas-works. Deputy president of the Budapest Metropolitan Council since 1978 and general deputy president since January 1, 1988.

Member of parliament since 1980. From 1980 to 1985 secretary of the Industrial Commission and from 1985 president of the Commission of Construction and Transport.

Tibor Czibere, minister of culture and education

Born in Tapolca on October 16, 1930. Graduated from the Miskolc University for Heavy Engineering.

From 1956 engineer in the Ganz-Mavag factory and from 1963 professor of the Miskolc University for Heavy Engineering. From 1968 to 1974 dean of the faculty of mechanical engineering and from 1978 to 1986 rector of the university.

Corresponding member of the Hungarian Academy of Sciences from 1976 and full member since 1985. Member of parliament from 1983 to 1985 and alternate deputy since then.

Kalman Kulcsar, minister of justice

Born in Erdotelek on June 27, 1928. Studied in Eger and graduated from the faculty of law of the Eotvos Lorand University. From 1950 to 1957 worked in the judiciary organization, and from 1957 to 1969 in the Eotvos Lorand University and the Hungarian Academy of Sciences. From 1969 to 1983 director of the Institute for Sociology of the Hungarian Academy of Sciences.

Corresponding member of the Hungarian Academy of Sciences from 1973, full member since 1982 and deputy general secretary since 1983.

Professor of the Eotvos Lorand University and president of the Hungarian Sociological Society.

CPSU Conference's 'Lively Exchange of View'

LD3006133888 Warsaw PAP in English 1213 GMT 30 Jun 88

[Text] Warsaw, June 30—In today's dispatch from Moscow on the Nineteenth CPSU Conference, two special correspondents of the party paper TRYBUNA LUDU point out that delegates introduced into the discussion such expressions as, for instance, civic attitudes, pluralism of opinions and viewpoints, human dignity, primary status of law, humanism. "They have always been present in Marxist and Leninist terminology but it was only because of perestroyka that they acquired new substance.

"We witness a working conference, lively exchange of view and diversity of assessments, in many cases very critical ones," stressed TRYBUNA LUDU correspondents.

According to a RZECZPOSPOLITA correspondent, delegates value most highly these speeches that contain concrete proposals making it easier to answer the main question facing the conference: What should be done to speed up the process of restructuring, to make it irreversible and to achieve the best possible result in the social, political and economic area.

Foreign Ministry Spokesman Holds Press Conference

LD3006174588 Warsaw PAP in English 1549 GMT 30 Jun 88

[By Waldemar Janiec]

[Text] Warsaw, June 30—Polish reactions to the 19th CPSU Conference, the oncoming visit to Poland by Mikhail Gorbachev, the prospective meeting in Warsaw of the Political Consultative Committee of the Warsaw Treaty member states, the change in the foreign minister's post, Poland's relations with the Vatican and Israel, the Pomeranian Bay delimitation, Poland's stand on Colonel Al-Qadhdhafi's initiative and on the situation on the Budapest-Bucharest line constituted the main topics raised at today's conference of the Polish Foreign Ministry Spokesman Stefan Staniszewski.

CPSU Conference [subhead]

We, in Poland, are observing with big interest the course of the 19th Conference of the CPSU which started on Tuesday, with particular regard to the content of Mikhail Gorbachev's report, said Staniszewski.

One can agree with Mikhail Gorbachev's view, voiced from the conference's rostrum, to the effect that the "pivot of international life is moving from confrontation towards cooperation, mutual understanding, towards negotiations with concrete results in prospect." The report by the Soviet leader clearly confirmed that the new thinking in the Soviet policy is a lasting tendency, which creates fresh possibilities of a gradual demilitarization and humanization of international relations and also of living up to global civilizational challenges now facing mankind.

In Advance of Gorbachev's Polish Visit [subhead]

Stefan Staniszewski said that CPSU CC General Secretary Mikhail Gorbachev is expected in Poland in less than a fortnight.

We attach immense significance to Mikhail Gorbachev's visit, talks and meetings. For we will be playing host to the leader of a country with which we are linked by the closest bonds of alliance, the architect of reforms—perestroyka and glasnost, the one who created and who materializes the new thinking in international affairs.

The CPSU CC general secretary is expected to address the Polish Sejm. While on a tour of Poland he will meet representatives of the working class, farmers, youth, scientific and cultural milieus. Political talks will be held with the Polish party and state leadership. The sides are envisaged to sign a joint statement assessing the hitherto development of bilateral relations and mapping out tasks for the future.

Mikhail Gorbachev's Polish visit has both a bilateral and multilateral dimension. The Polish-Soviet relations are marked by new quality in all fields—politics, economics, in the sphere of superstructure. These relations are now closer than ever. The philosophy of the Polish revival and the Soviet perestroyka converge. As Wojciech Jaruzelski put it at the 7th Plenum of the PUWP CC, "This visit is sure to add a new, significant chapter to the book of alliance, friendship and cooperation of our fraternal states."

The international significance of the visit is in turn proved by the fact that it will take place shortly after the Moscow summit, and also that it will underline the convergence of ideas and concepts of both states in European politics.

We are convinced that the Soviet leader will meet with a warm and cordial welcome in this country. This stems from our society's expectations and hopes pinned on Mikhail Gorbachev's policy of perestroyka.

In reply to questions concerning the visit, Staniszewski said that during his stay in Poland Gorbachev will be accompanied by his wife Raisa and Soviet Foreign Minister Eduard Shevardnadze. He also added that the Soviet leader will visit Warsaw, Krakow, Poronin and Szczecin. Some members of the Soviet delegation will also tour Oswiecim and Katowice, he said. Staniszewski underscored that he did not think that the visit's itinerary might include a meeting between Gorbachev and Glemp but he did not rule it out, stressing that it was his private opinion, the possibility of Gorbachev's some contact also with the church.

Before Warsaw Meeting of Political Consultative Committee [subhead]

Answering questions on the coming session of the Political Consultative Committee of States—parties to the Warsaw Treaty to be held here, Staniszewski stated that in its address the Polish delegation intends to touch upon the most significant issues for the political-defensive alliance of the Warsaw Treaty. We are fully conscious that all-round animated ties with the countries of the socialist community, first of all with the Soviet Union and our closest neighbours, Czechoslovakia and the GDR, are of essential importance for Poland's security, the economic and social development of this country, the Polish reason of state, the spokesman said.

Basing on the hitherto, already known, principles of Polish foreign policy and on diplomatic activity, especially in recent times, we also intend to deal with the issues of East-West relations, above all in Europe. This European dimension of our foreign policy, the conviction as to the need of a system of common security based not on declarations and gestures but on concrete activities have recently been manifested in modifications which the Polish government lately added to the Jaruzelski Plan. I would like to underline that this serious, matter-of-fact initiative, which is not propaganda- oriented, has generally met with the positive reaction of governments and the international opinion, Staniszewski stated. After the ratification of the treaty on elimination of medium and shorter range nuclear missiles the question of major reductions in the armed forces and conventional weapons in Europe is moving to the fore. This is now question number one of our continent.

It should be expected that these problems, including measures preventing suprise assault, will be one of the main subjects of Warsaw talks between the leaders of the allied states.

After Change at Foreign Minister's Post [subhead]

Asked to comment on the decision to change the Polish diplomacy chief, Stefan Staniszewski said that it does not mean any changes or greater modification of Polish foreign policy. Most of the visits planned by the foreign minister for this year will go ahead. During Mikhail Gorbachev's visit Minister Olechowski will meet with Minister Shevardnadze. He will have an opportunity to meet with his colleagues from socialist countries during the session of the Political Consultative Committee in Warsaw in July. The hitherto direction of our activity towards the West will be continued. Official visits to the United States, the federal Republic of Germany in September, and then to France will go ahead. Other contacts are also planned for this year.

Let me add that having assumed his function Minister Olechowski received a great number of congratulations and wishes from his colleagues foreign ministers, and a great deal of proposals to meet which came from all directions.

Minister Olechowski, as he stressed himself, plans to creatively continue the work of his predecessor. We can expect that he will seek gradual materialization of the concepts and initiatives already made by Poland and its allies, first of all those concerning European matters. It should also be assumed that he will devote more attention to questions of economic exchange, normalization of financial and credit relations with Western states and with international organizations, he said.

Poland-Vatican [subhead]

Asked about the state of Poland's relations with the Vatican, the spokesman said that the Polish-Vatican dialogue had markedly intensified after the election of the Polish-born pope.

We constantly strive for a full normalization of relations with the Holy See and the Catholic Church in Poland. Our talks have already resulted in a considerable rapprochement of stands of the sides concerned.

Poland played host of late to papal nuncio for special assignments and head of the Vatican group for permanent working contacts between the Apostolic See and the Polish Government, Archbishop Francesco Colasuonno. The visitor was received by Wojciech Jaruzelski. He also held talks at the Foreign Ministry where Minister Olechowski handed him a draft convention between Poland and the Holy See, worked out by a drafting committee composed of government and Episcopate representatives. We expect that once the document is examined in the Vatican, the sides will fix the date of bilateral talks on a full normalization of diplomatic relations. We hold the opinion that this would constitute a significant contribution to the consolidation of peace, confidence and international cooperation, especially in our continent.

Poland-Israel [subhead]

Asked about Poland possibly resuming diplomatic relations with Israel, Staniszewski recalled that both countries had established official contacts in 1986. Both countries set up interest sections whose activities we view as positive. They meet mutual needs, the spokesman said.

As for the resumption of diplomatic relations, we keep this question in mind, but it can be settled under favourable conditions. What I mean here is the peace process in the Middle East within the framework of an international conference which would result in a just resolution of the conflict. Poland has always come out for the realization of the Palestinian nation's right to self-determination and the Israeli nation's right to a secure existence within its own country.

Staniszewski also informed newsmen about a recent visit to Warsaw by Mr Josef Beilin, the director-general for political affairs at the Israeli Foreign Ministry. Our ministry's talks with Mr Beilin concerned matters connected with the functioning of the interest sections—the Israeli in Warsaw and the Polish one in Tel Aviv. The sides also exchanged views on problems connected with the settlement of the Middle East conflict, including the convoking of an international conference devoted to this issue.

More About Pomeranian Bay Waters Delimitation [subhead]

Asked whether the Political Consultative Committee's Warsaw meeting will tackle the question of waters demilitation in the Pomeranian Bay between Poland and the GDR, Staniszewski said he expected that the foreign ministers would shortly fix the date of a meeting of experts, and that the problem would be settled, in the spirit of the general agreement of the two leaders, to Poland's full satisfaction.

Colonel Al-Qadhdhafi's Initiatives [subhead]

Assessing Colonel Al-Qadhdahfi's recent initiative concerning the settlement of the conflict with Chad, the spokesman said:

We view it as a constructive step in the right direction, a sign of political realism and tendency for settling regional disputes by peaceful means. This was expressed, among others, by Jan Majewski during consultations at the Libyan Foreign Ministry between June 27-28.

Poland decidedly opposed and continues to oppose disputes being solved by military means. It comes out for a just and political settlement of regional conflicts. Our opinion is that problems occurring between African states should be solved by Africans alone, without foreign interference.

We regard the declaration of the Libyan leader as an important step on the road of strengthening peaceful methods of solving disputable problems. It also contributes to the consolidation of the atmosphere of reconciliation and cooperation among African states.

Margaret Thatcher's Visit to Poland [subhead]

In reply to a question whether the date of Prime Minister Margaret Thatcher's arrival in Poland was spoken of during the British visit by Vice-Premier Sadowski, Staniszewski said that the vice-premier's talks had mainly focused on economic issues. Mrs Thatcher's visit will take place after the holidays.

PZPR's Rakowski Examines 'National Accord'

*PM3006120088 Paris LE MONDE in French
30 Jun 88 p 3*

[Interview with PZPR Politburo member Mieczyslaw Rakowski by Sylvie Kauffmann in Paris—date not given]

[Text] Mieczyslaw Rakowski, who has been a PZPR Politburo member since last December after 2 years in the wilderness, and who is regarded as very close to General Jaruzelski, is a rising star in Poland: He was given the job of Central Committee secretary for propaganda in the recent reshuffle.

Mr Rakowski who, despite his turbulent relationship with Lech Walesa when Solidarity was legal, and despite the vicissitudes of martial law, which he implemented alongside Gen Jaruzelski, has succeeded in gaining a reputation as a reformist, is on a brief visit to Paris for a series of talks with the leaders of the main French political parties and Foreign Minister Roland Dumas.

The Polish leadership's main task, Mr Rakowski told us, is to improve the Poles' living standards. This is because a man's political attitude is determined by "what he is paid at the end of the month, what he finds in the stores, and what he is able to buy there." There are factories in Poland, he said, where "the workers work well, where there is no shortage of raw materials, and where people only have to wait 2 years for an apartment. In those places people do not care what Rakowski or Onyszkiewicz (Footnote 1) (Solidarity national spokesman) say, or what some tiny group which has just been formed might say."

Walesa: "An Exception" [subhead]

In the political sphere, the policy is one of easing tension and making gradual progress rather than spectacular initiatives. "We must implement an opening up policy, and extend the foundations of the national accord. One of the external signs of this extension is the permission granted to Mr Geremek and Mr Kuron (Footnote 2) (intellectuals who advise Solidarity) to travel abroad. I think that this is necessary, it must be done. But, in Poland, there is no room for major political initiatives."

Mr Rakowski thinks that a "new" situation has been created in the country in recent years. "We have built a political entity in which the citizen has become active rather than passive. The problem is how to give substance to this entity and breathe life into it. There would be no point in creating more moribund institutions."

What can be done to arouse the citizens who cannot even be bothered to go and vote (55 percent voted in the 19 June local elections)? Should the opposition be approached? "We would first have to know who is in opposition and who is not," Mr Rakowski replied. "Many people in Poland claim to be members of the opposition. But when you scratch the surface, you notice that they share our views, it is just that they do not like some methods. And then there are those who are opposed to the socialist system."

[Kauffmann] Mr Walesa, for instance?

[Rakowski] Walesa is an exception. It is difficult to talk with him because he changes his opinion every 2 days. If you Western journalists had not placed him on a pedestal, he would be able to find a place in the existing structure. But I will leave this question open. It is a matter of time. [Rakowski ends]

And yet, we pointed out to Mr Rakowski, there are people in the Solidarity chairman's entourage who are not besieged by the Western press and who do not change their opinion every 2 days.... The Polish leadership member admitted that there are at present no high-level contacts with them. "You know, it is not just a matter of our wishes, but of theirs too," he stressed.

Indeed, "the opposition problem is obscured by the very strong political feelings which have existed in Poland since 1981. Each of us who took part in the great events of 1981, knows what emotion and passions it generated. Time has a moderating influence and historical processes must not be rushed."

The influence of Mr Gorbachev, who will make an official visit to Warsaw on 11 July, has, of course, "strengthened the reformers within the PZPR. Events in the USSR are very favorable to us," Mr Rakowski said. "Conversely, every success in reforms in Poland has a favorable influence on restructuring in the USSR. And every failure has a negative influence on the Soviet reformists' position."

In conclusion, Mr Rakowski expressed a strong wish for France to have "a greater presence in Poland in a stronger and clearer way. The loss of its positions in our country does not help it, and it is not just a question of traditional ties." Sometimes, the leadership member said with regret, "I tell myself that France is happy to sleep with Poland but has never wanted to marry it. We have abandoned the ideological factor in our foreign policy. But I have the impression that countries in Western Europe, have started using this factor."

Political Bureau Holds Meeting, Views Issues

LD3007083488 Warsaw PAP in English 0002 GMT 30 Jun 88

["PUWP CC Political Bureau Meeting"—PAP headline]

[Text] Warsaw, June 29—The PUWP CC Political Bureau discussed on Tuesday the course and outcome of the elections to People's Councils.

Assessment of Election Campaign [subhead]

The elections were proceeding under a new election law. Its introduction is an important element of materialization of the socio-political reforms programme and constitutes an essential step on the road of developing socialist democracy, people's rule, of expanding the platform of national agreement.

The Political Bureau stressed the considerable effort undertaken with a view to selecting candidates for councillors out of a broad range of the most active citizens. This was a social, authentic and democratic process.

The Political Bureau pointed with recognition to the attitude of the most active part of soicety, those people who actively participated in the election campaign and the voting itself. This opportunity has not been used by all milieus to an equal extent.

The new people's councils now face serious, responsible tasks. The amended law creates possibilities to genuinely strengthen their position and rank and also to succesfully work for solving problems of voivodships, towns and communes.

Welfare Policy [subhead]

The Political Bureau got acquainted with the proposed directions of changes to the welfare policy by the state, prepared by the Ministry of Labour and Social Welfare policy.

The social security system must ensure that working people and their family members feel secure in social welfare terms, hence the big social significance of increased effectiveness of its functioning.

The possibilities and scope of the proposed changes are first of all determined by the demographic situation and the tempo of the national income growth.

As regards the population growth rate, Poland stands out among European nations. The proportion between people at work age and those under and over that age was like 1,000 to 727, respectively, the index being estimated to grow till 1995.

In the 1980's, whose start was marked by a considerable drop in the national income, the social welfare policy was dominated by cushioning measures. As a result, the motivating function of wages decreased and so did the essence of particular social welfare allowances. The need of broad cushioning measures grew in view of a high inflation.

Compared with other European countries, the widespreadness and variety of welfare benefits constitute positive features of the Polish social security system, but it also has numerous shortcomings. Even though it was basically shaped in the 1980s, it contains many a solution incoherent with the reform's principles.

The planned changes aim first of all at eliminating that which is unjust from the social point of view, at a more precise distribution of benefits among people and social groups needing such aid, at eliminating factors which hinder the effectiveness of concrete solutions of the social welfare system.

The Political Bureau recommended that the proposals in question be appropriately corrected and presented for general discussion. It was decided that—in tune with the resolution of the 10th PUWP Congress—the proposed changes would be forwarded to the National Conference of party delegates for assessment.

After Jaruzelski-Honecker Meeting [subhead]

The Political Bureau acquainted itself with information on the meeting between Wojciech Jaruzelski and Erich Honecker who had paid a one-day visit to Wroclaw on June 24.

The Bureau emphasized that the Wroclaw-signed treaty "on the cause of friendship between the youth of the Polish People's Republic and the German Democratic Republic" will have a major effect on getting both societies closer and strengthening their friendship and cooperation.

The treaty offers political and legal bases for direct and lasting ties between young generations. The experience gained during longtime cooperation between our parties, governments and youth organizations, including the unprecedented on a world scale summer exchange of children and youth, permit to make further steps on the road of long-term cooperation and consolidation of friendship between both nations and states.

The Political Bureau approved and highly evaluated the decisions taken during the Jaruzelski-Honecker talks on developing mutual relations. It voiced conviction that the outcome of the talks and the implementation of the adopted decisions will serve greater friendship and development of the all-round cooperation between the PUWP and the SED, both socialist states and societies, for the weal of both countries and nations.

After Messner's Visit to People's China [subhead]

The Political Bureau acquainted itself with the course and results of the official friendship visit by Prime Minister Messner to People's China earlier this month.

The Bureau positively evaluated the intensification of PUWP-CCP contacts and the all-round cooperation between Poland and China. It pointed to the need for their further development. The Bureau stressed the purposefulness of intensifying mutual exchange of experiences against the backdrop of similarities and resemblences of the social, economic, and political reforms taking place in both countries.

The Bureau was satisfied to note the signing of a programme for cooperation until 2000 and other documents. The Polish-Chinese economic relations based on principles of mutual benefits may largely contribute to the restructuring and modernization of both states' national economies.

The Bureau pointed to the convergence of standpoints represented by People's Poland and People's China on most international issues, and espcecially in their drive to secure peace and international security and equal-footed cooperation of all states.

Messner, Ministers Address Council of Voivodes

LD2906223088 Warsaw PAP in English
2051 GMT 29 Jun 88

[Text] Warsaw, June 29—The socio-economic situation and new tasks stemming for the state administration from the amended law on the system of people's councils and territorial self-government constituted the key topics discussed by voivodes who met here Wednesday under the chairmanship of Premier Zbigniew Messner.

Assessment of Economic Situation [subhead]

Sizing up the economic situation after five months of 1988, First Deputy Chairman of the Government Planning Commission Franciszek Kubiczek said that it should be viewed as favourable. Hard coal extraction proceeds in tune with the Central Annual Plan. The industrial production growth rate reached 6.5 percent after the five months and the planned targets may be exceeded. There are no major threats to market supply. Chances are that the growth of supply will total 3-3.5 percent instead of 2.7 percent envisaged by the plan.

Agricułutural forecasts vary immensely with regard to plant growing, whereas there has been a tangible improvement in livestock procurement. Considering the first five months one can expect the national income to go up by 4.2-4.5 percent.

Financial Situation of the State [subhead]

Speaking of the financial situation of the state in the January-May period, Finance Minister Bazyli Samojlik stressed that the population's money incomes had grown by 61 percent as compared with the corresponding period last year. Prices grew by 48 percent, and if one leaves aside the prices of spirits and tobacco—by 40 percent. Therefore, the price-income relations deteriorated which will affect the situation on the market.

A very good situation in the state budget prevailing in the early months of the year have recently deteriorated following the decision to increase procurement prices for agricultural produce.

The amended law on the system of people's councils will have an essential impact on local budgets, it was stressed at the meeting. Local authorities will now have a share in income tax paid by central enterprises. Also, basic-level budgets will take over nearly all revenues from the cooperative sector, as well as part of revenues from enterprises operating in a given region. All the money from communal and municipal budgets will be used for local needs.

Opinions of Voivodes, Ministers [subhead]

The financial independence of people's councils is the key question for their functioning and for the socioeconomic development of particular regions, but their financial situation can solely be improved by way of good economic management, resourcefulness and own initiatives.

The election campaign showed that the aspirations of people's councils will not be meager. Meanwhile, already from the start they will face the necessity of limited investments. What they need is stability in the financial policy.

There is no chance for agriculture to note a record year, but neither are there reasons for panic. Particular regions report varied performance in plant production, with a clear improvement in the vegetation of late. The scale of credits for agriculture was increased by 70 billion zlotys, and so there are no reasons for banks now to refuse credits for current agricultural production or for priority investments, said Farming Minister Stanislaw Zieba.

Minister-head of the Office of the Council of Ministers Michal Janiszewski analyzed complaints, postulates and letters coming from citizens. He stressed that there has been a systematic drop in the number of complaints—from some 680 thousand in 1983 to 430 thousand last year. This proves that less and less citizens are displeased with the decisions and activities of state and cooperative bodies, and also indicates a certain improvement in the work of those bodies.

Messner's Address [subhead]

Summing up the debate, Premier Messner stressed that the councillors of the new term would be working in a new situation in legal and economic terms. Hence, changes are needed in the relation between the councils and the state administration and also between the people's council chairman and the head of an administration organ. The limitation of financial means will continue.

The process of transferring to local bodies the supervision over enterprises so far subordinated to ministers proceeds at a rather slow pace, and enterprises themselves do not want to change their founding bodies in the first place. It was only due to its extraordinary powers that the government could rule on the transfer of another group of enterprises to local authorities. Unjustified are the fears of the crews of enterprises concerned as to a possible loss of coproduction ties, access to materials or hard currency.

Sadowski's Sejm Address Views Economic Changes

AU3006174188 Warsaw TRYBUNA LUDU in Polish 18-19 Jun 88 pp 5, 6

[Speech by Deputy Premier Zdzislaw Sadowski, chairman of the Economic Reform Commission, at the 17 June Sejm session in Warsaw]

[Text] Citizen marshal. May it please the house. I have the honor of presenting to this house, on behalf of the government, three bills—a bill on economic activity, a bill on stocks and shares, and a bill on economic activity with foreign capital, together with a draft amendment to the code of trade. All these acts were announced in the economic reform implementation program which the house adopted last February, and are now being submitted slightly ahead of schedule.

The bills each involve a different degree of legal control, and involve all categories of economic units and various spheres of economic activity. But they all have one thing in common; they are all designed to encourage economic activity in our country, create further concessions and incentives for economic investment, boost production, and increase supplies of market goods and services.

Acts on their own do not create a new reality. But they do help give a new shape to the system of management. The bills being presented today are of major importance for the continuation of the economic reform. As we know, this reform is meant to base our economic system on market principles and open it up to competition and enterprise. The bill on economic activity, which has already been described as a law on enterprise, calls for a fundamental change to management philosophy in our country.

Creating economic freedom and equality for various sectors of ownership, this bill gives the go-ahead for collective economic development and private enterprise, within the limits determined by the interests of a socialist society and state. It provides a particularly favorable basis for the uninhibited development of various forms of small-scale and workshop production based on stable systemic conditions. In this regard, we expect the newly-elected people's council, anxious to improve the supply situation on local markets, to display their own initiative and support local enterprises based on the new regulations, even before the bill becomes law.

Next, the law on stocks and shares introduces to our system the beginnings of a stock market, which even in a socialist economy can be used to distribute funds for development purposes more rationally and serve as an instrument of directing funds to areas of the economy that are particularly efficient.

The third law on economic activity with foreign capital is meant to make foreign investment in our economy more attractive than before. It should be considered an important way of guaranteeing the openness of our economy and encouraging Polish economic units to seek foreign sources of capital more energetically. This bill is related to the draft amendment to the code of trade.

Because these three government drafts possess so much in common, their presentation at today's Sejm session is justified.

Presenting the bill on economic activity to the citizen deputies, I wish to stress that it is one of the biggest steps forward in the entire reform so far. It is based on the principle of economic freedom, which we want to make a pillar of our economic system and by means of which we want to turn into reality the expression "Whatever is not forbidden is permitted," a slogan of the reform that has been uttered many times from this rostrum. The contents of this bill are known to you. Generally speaking, they were approved by the Sejm Economic Planning, Budget, and Finance Commission and Legislative Procedure Commission last November. They have also been approved by the Sejm Socioeconomic Council and Sejm Advisory Team. They have been written on and discussed. The opinions of the Sejm bodies and the entire social debate have been carefully analyzed, and some of the conclusions have been included in today's bill.

I would like to draw your attention to the three main principles involved in the new economic relations being created by the bill.

First, there is meant to be a departure from the previous system of granting approval for any economic activity, whereby a state administrative body had to decide before any new production or new services could be started. This system often restricted competition and prevented economic units from being successful on the market. It created a barrier to economic energy and made it difficult not only for financial and technical reasons, but also, and sometimes most of all, for administrative reasons. This resulted in goods and services not reaching the market.

The first breakthrough in this system occurred last year, when the Sejm passed the law on establishments involved in invention and innovation.

Today, this system of approval for economic activity is to be replaced with the duty to register such activity with a record-keeping body. Primary-level state administrative bodies will perform this function. One hopes that rural and urban people's councils will create the right climate for economic initiatives in their areas. Those units that have either been created by a state body or are based on state capital are exempted from registration.

Second, economic units will no longer be placed in different categories according to the type of ownership of production resources. In this way, the sectored economy will be abandoned, ending a tradition that is almost 40 years old.

The bill is addressed to an economic unit, which may be a legal or physical person, or even an organization that has no legal personality but has been set up in accordance with the law. This is a fundamental departure, guaranteeing the equality of all economic units. However, it forces us to prepare an entire series of new solutions to guarantee equal economic, financial, and fiscal conditions for all units, regardless of the type of ownership of their production resources. Work on these solutions is at an advanced stage, in accordance with the program for the second stage of the economic reform.

Third, the bill calls for complete freedom of association for any economic unit. This naturally follows from abandoning the need for state economic bodies to approve economic activity. The government wants to make this new solution universal. It also applies to trade structures with centuries-old traditions, for example craftsmen's guilds. By abandoning any compulsion for an economic unit to associate itself, we wish to avoid closed monopolies and permit a total freedom of choice, which should permit healthy competition between different types of economic organizations.

I wish to make it clear that this solution has been criticized by some craftsmen, especially their organizations. However, we saw no possibility of preventing this freedom of association for all economic units, because to do so would have conflicted with the law's basic purpose, which is to permit economic freedom. However, the present bill does take into account the demands of these bodies whereby the organization of self-managements of craftsmen ought to be the topic of a separate law. It seems that a decision by the deputies is the best way to resolve this problem.

Having presented these general issues, I now wish to present some detailed matters connected with the proposals that have been presented to you.

Guaranteeing unrestricted freedom of economic action to a considerably broad extent, the bill clearly specifies areas of activity which do, in fact, need prior permission from a state administrative body.

They include production which may be harmful to health; undertakings involving transport and communications; undertakings connected with energy; and industrial activity connected with defense, wholesale trade, foreign trade, publishing, and several spheres where there is a traditional state monopoly, in other words tobacco, liquor, yeast, and sugar.

The law says that every economic unit that wishes to register economic activity must first of all fulfill necessary legal conditions, defined elsewhere, concerning work safety, health, the environment, sanitation, protection against fire, and building regulations. What is new is that the economic unit itself declares that it has fulfilled these conditions. The registering body is obliged to register the economic activity within 2 weeks from the date on which the economic body filed the application to register and deposited the statement saying that it has fulfilled the necessary conditions.

Should any doubts arise as to the truth of circumstances, the administrative body is to resolve them. An economic body is entitled to appeal against a refusal to register its activity, and the final body of appeal in these matters will be the Supreme Administrative Court.

The proposed new rules also permit economic activity on the strength of the law itself, without the need to register it. This applies to menial work performed at one's own home or among neighbors or relatives. Such work includes manufacturing articles for domestic use, cleaning, repairs, plant and animal breeding, and the provision of meals. The abolition of all restrictions to this activity should substantially increase the supply of goods and services and satisfy the important, though individual, needs of society. It will also sanction and legalize activity which has lacked a clear legal basis.

The bill calls for the creation of chambers of commerce with a voivodship, intervoivodship, or national scope of activity. Such a chamber would have to consist of at least 50 economic units. Its basic purpose would be to represent the interests of the economic units associated within it before state administrative bodies and other national organizations and foreign ones. They would provide services to their members in the form of advice about organization and marketing, and would help develop the technical, economic, and social infrastructure of the areas under their responsibility. They could also serve as tribunals to resolve economic issues, and could establish a code of ethics concerning industry and trade.

A controversial point during the drafting of the bill was establishing the maximum number of employees in a private economic unit. In the end, it was decided that those units that are either physical persons or companies created by such persons may employ a maximum of 50 people in one shift, excluding relatives and apprentices learning the trade. This is a high limit. The minister of labor and social policy will have the right to decide in what kinds of activity this limit may be exceeded.

Local bodies of state administration will also be able to increase the limit on the number of employees. In addition, it must be stressed that economic units that are physical persons may join companies based on state capital, and then there will be no limit on the number of employees in them. This establishes clear and unlimited development prospects for all highly-efficient bodies of this type.

This restriction on the size of employment is directly connected with the 1946 law on the nationalization of industry. It provides far broader possibilities of action than the present law on handicrafts.

May it please the House. Now I will discuss the bills on stocks and shares.

The issue of shares by state enterprises has been permitted in our economic system for 2 years already. Only state economic units can buy them. Accumulated experience, the shortcomings of existing rules, and the increasing pressure of needs have made it necessary to include in the program of the second stage of the economic reform preparations for the first-ever legally controlled issue and turnover of shares. The main purpose of this is to make it possible for economic bodies with development plans to obtain funds easier and be able to obtain them from individuals who have funds to spare.

The bill foresees that shares may be issued without special permission by all economic bodies with legal personality, including associations that are entitled to conduct economic activity and foundations. To safeguard the interests of buyers, the value of shares may not exceed half the financial resources of the issuer. The issuer is obliged to report in the press all information concerning the purpose of the issue, its size, the conditions governing the purchase, and the interest payable on the shares. He is also obliged to publish his annual accounts in the press. This is a further step toward the openness of economic life. The issuer cannot spend income from the sale of shares for any other purpose than the one specified in the shares. Whoever issues shares not in accordance with the law will be punished. This serves as a guarantee for those who purchase shares; however the chief guarantee consists of the issue's remaining capital.

The bill also foresees that apart from other economic units, individuals may also buy shares. This is of major importance for the population, because people will be able to deposit their savings and earn interest in a way never known before.

This is also important from the point of view of the national economy because it is estimated that apart from savings, the population possesses another Zl trillion in cash resources, which could help in the economic and technical development of economic bodies. One can expect the issue of shares to make it easier to finance operations that are of major social importance, such as an expansion of trade and service networks.

During the work on the bill, the idea that the issue of shares may be released from the duty to provide products and services to the purchaser of his shares aroused a great deal of controversy. There were voices that pointed out the danger of greater market monopolies and of speculation, which usually accompanies them. In the end, it was decided that even with all its imperfections and shortcomings, the proposed solutions are advantageous because they present real conditions for a favorable functioning of the economy and because of the need to accumulate resources for development. The purchasers of shares will not only take advantage of the fact that their investments have accrued interest, but also of the fact that they will have access to goods and services that are not always available on the market. To this, one should add that the legislators foresee that the interest earned by physical persons will be free of income tax, which should serve as a further incentive for this form of savings.

May it please the House! Now I will present the bill on economic activity based on foreign capital.

Economic activity by foreign bodies in Poland is presently controlled by two laws, the 6 July 1982 law on small-scale production in Poland by alien legal and physical persons; and the 23 April 1986 law on companies based on foreign capital.

Considering the views of those in favor of uniform rules for economic activity by foreign investors, especially the views of the "Polonia" Society, the government proposes to embrace this activity with uniform rules, as contained in the bill at hand. The new law would be the only legal basis on which foreign investors may undertake economic activity in Poland.

Alien persons who operate enterprises according to the 1982 law will be able to transfer to the new conditions by contributing their enterprises or parts thereof as part capital in a company operating according to the new rules. Those not wishing to do so will be able to continue their activity according to the previous rules, at the same time as which these rules will be amended in order to introduce a series of concessions which would remain in force until the alien person's permit to conduct economic activity expires. The justification for such a solution is a desire to protect these people's rights and give them a feeling of legal stability, as well as the realization that not all enterprises will be able to adapt to the export-orientated solutions activity called for in the new law.

The postulate for uniform rules of economic activity also applies to enterprises run by aliens. The bill on economic activity based on foreign capital revises some of the provisions of the 1982 law in an aim to bring the financial-economic provisions of both laws together. This in turn will be achieved by reducing the tax burden on foreign small-scale production enterprises acting according to the 1982 law, and reducing the amount of convertible currency that they have to sell to the state. Following all this, the tax and convertible currency conditions of enterprises operating according to each law will be similar. The certain differences that still exist are primarily the result of the different forms of organization called for in each law. However, this is only a temporary situation.

Considering the experience of foreign small-scale enterprises, it is foreseen that such enterprises should be in the form of companies with or without limited liability. To clarify the legal position, it is suggested that one-man limited companies, enjoying great popularity in many states, be included in the Polish legislation. For this purpose, the government moves that article 158 of the code of trade be amended.

One-man companies permit foreign investors to continue the economic activity which the 1982 law permitted them to carry out, and permits a clear legal distinction between the personal assets of a foreign investor and the assets of his company. This will avoid many of the problems that occur when there is no such distinction.

While assessing the solutions called for in the new law from the point of view of these new companies and the attendant economic and financial conditions, one must bear in mind that in view of the strong competition from other states for foreign investors on their territory, we must be able to match this competition.

The proposed rules are to provide special encouragement for foreign investors to produce exports. This reflects our economic priorities. That is also why, in our aim to offer sufficiently strong incentives in the form of financial and organizational conditions, we have altered the law. As far as financial conditions are concerned, they have been based on an analysis of the results of foreign enterprises in Poland, and take into account the results of computer studies. The standard rate of income tax for foreign investors, 40 percent, is similar to that in other socialist countries. However, when one considers that foreign investors are exempted from income tax for 3 years, with the possibility of an additional 3 years, and that they receive major tax concessions for producing exports, which may results in their rate of tax being reduced to as low as 10 percent, one can see that the foreign investor enjoys a very favorable tax situation.

An important part of the proposed rules is the creation of a single decisionmaking body, in the person of a government plenipotentiary in charge of foreign investments. The bill foresees that he will work out and implement state policy in relation to financial cooperation with foreign countries. The plenipotentiary's executive body is to be an agency attached to the Ministry of Foreign Economic Cooperation.

Presenting these bills to the Sejm for examination, I hope that the Sejm will share the government's view about the far-reaching importance of these bills for the development of the Polish economy and for the consistent implementation of the economic reform.

On behalf of the government, I ask the Sejm to examine and adopt the bills.

Further on Reform of Banking, Credit System

PM2906124588 Katowice TRYBUNA ROBOTNICZA in Polish 22 Jun 88 pp 1,5

[TRYBUNA ROBOTNICZA commentary, including an interview with Dr Marian Rajczyk, plenipotentiary of the chairman of the Polish National Bank (NBP), by Andrzej Wozniak: "The Silesian Bank Is Born: Doors Open Wide for Enterprises, Cooperatives, and All Citizens—Creditworthiness the Only Condition"; date, place not given]

[Text] Work is in progress on the setting up of the Silesian Bank, one of nine institutions of this type called into being as a result of the reorganization of the NBP and intended to operate on a commercial footing and be based on the principles of autonomy and self-financing.

The creation of the new banking network to begin operations with the beginning of the new year constitutes a practical embodiment of the implementation program of the second stage of the economic reform.

Let us recall here some fragments of an interview which the then NBP chairman, Prof Wladyslaw Baka, recently appointed to the Politburo and Secretariat of the PZPR Central Committee, gave to our paper in May.

"There are no rational considerations," said the PZPR Central Committee Secretary as he is now, "which should preclude the banking sector from operating according to the same principles as all autonomous, self-financing enterprises. The creation of credit, or, let us admit it openly, commercial banks, furnishes for those banks the opportunity and the legal footing to make their own independent decisions according to the principles of self-financing. It will encourage bankers to take up initiatives that will, on the other hand, motivate clients to locate their savings in those banks and, on the other, bring profit for the bank through the application of proper credit operations... The rationale for the whole operation is provided by the fact that the bulwarks of rigid divisions and allocations between banks and clients are being finally pulled down."

Dr Marian Rajczyk, the plenipotentiary for the NBP chairman, has informed our correspondent of the organizational operations involved in setting up the Silesian Bank. Dr Rajczyk has previously held the post of director of the NBP Czestochowa Voivodship branch, and before that he headed the bank's branches in Myszkow and Zawiercie.

"The Silesian Bank," the NBP chairman's plenipotentiary emphasized, "will, at least initially, operate in six voivodships: Katowice, Czestochowa, Bielsko-biala, Kielce, Opole, and Tarnow. As regards our credit potential, we will rank second among the nine new credit banks, after the Warsaw bank and roughly parallel with the one now being set up in Krakow. We are going to establish 36 branches, with the largest number, 23, in Katowice Voivodship. Czestochowa Voivodship will get four branches, Bielsko-biala and Kielce Voivodships three each, Opole Voivodship two, and Tarnow Voivodship one branch.

"We are open for all clients, regardless of which sector of the economy he hails from. Individual citizens can also locate their savings in our bank, but at present they cannot be issued with savings books. The capital located with us will be placed in bank accounts.

"We honor all credit agreements already signed with the old NBP branches. However, in the near future our credit applicants will have to demonstrate their creditworthiness. We shall differentiate our interest rates. Successful enterprises which can boast particularly good production results will be given a lower interest rate; weaker enterprises will have to pay higher interest. Enterprises which are on the brink of bankruptcy cannot hope for favorable, lenient treatment.

"This is because we ourselves must earn our own keep. We believe that at the beginning our credit capacity will amount to between Zl trillion to 1.5 trillion. We must be very careful in how we manage that capital. After all, there is only sense in introducing changes in the banking sector if we introduce a rigorous monetary policy. The maximum interest rate will be determined by the Sejm within the framework of the state's financial policy, but that will be precisely the maximum rate. Anything below that will be decided by the credit banks on the basis of economic realities. We will actively attempt to win customers for our bank."

Let us hope those attempts meet with success.

Closure of Hungarian Cultural Center Noted

LD3006093788 Belgrade TANJUG in English 2340 GMT 29 Jun 88

[Text] Bucharest, June 29 (TANJUG)—Romanian authorities today ordered the Hungarian Embassy in Bucharest to leave the building of the Hungarian Cultural Centre in Bucharest, which, although fully completed nearly 10 years ago, was never issued a permit to start operation.

A note by Romania's Ministry of Foreign Affairs said the Cultural Centre must be vacated within 48 hours, rent for the past three years paid as well as a fines for failing to make regular payments, and the building restored to its previous conditions.

It was decided during the last meeting between the two countries' Presidents Nicolae Ceausescu and Janos Kadar back in 1977 that the two neighbouring countries would open cultural centres in each other's capitals. Soon after that Hungary was given a building in central Bucharest to be used free of charge and fitted it with the necessary equipment, including a library with 10,000 books and a projection room.

As learned, Romania never used its reciprocal right to do the same in Budapest.

The Hungarian Embassy in Bucharest says that Romanian authorities never permitted the Hungarian Cultural Centre to open, although it was completed for years. In recent years, the building was used as a storage.

France, the Federal Republic of Germany, Czechoslovakia, Great Britain, Italy and the United States have opened similar centres in Bucharest years ago.

Romanian authorities yesterday also ordered the closure of Hungary's general consulate in the town of Cluj, the centre of a region in which most members of the Hungarian national minority live in Romania.

RCP Session Discusses Relations With Hungary

LD3006121988 Prague Domestic Service in Czech 0400 GMT 30 Jun 88

[Text] In an RCP Central Committee session a letter from the Central Committee to the MSZMP Central Committee on relations between Romania and Hungary was read. Those present at the session noted that it is in the interest of the two nations to do their utmost to normalize relations between the two socialist states.

Nicolae Ceausescu, RCP general secretary, explained the letter by saying that the RCP Central Committee finds it necessary to point out to Hungarian comrades the worsening of relations between the two parties and countries. In this connection, he pointed to some articles in the Hungarian press that in his words are inadmissible interference into Romania's internal affairs. He said that Hungarian representatives agreed to meet to discuss problems between the two countries and parties.

The Hungarian press agency MTI reacted to the closure of the Hungarian Consulate General in Cluj. A statement issued on this opportunity, said that this is a violation of the consular agreement between Hungary and Romania, and points out the seriousness of this measure. According to MTI, the Hungarian Government is determined to continue a policy to deepen friendship between the two nations.

Hungarian Council Plenum Report

AU3006154088 Bucharest SCINTEIA in Romanian 28 Jun 88 p 2

["Report to the Plenary Meeting of the Romanian Working People of Hungarian Nationality on Steps Taken by the Council of Romanian Working People of Hungarian Nationality to Unflinchingly Implement the Programs for the Country's Socioeconomic Development, the Theses, Guidelines, and Recommendations Made by the Party Secretary General and President of the Socialist Republic of Romania, Comrade Nicolae Ceausescu, in His Speech at the Meeting of the Political Executive Committee of the RCP Central Committee on 29 April 1988 Regarding Certain Problems of the Management of the Socioeconomic Activity, of Ideological and Political—Educational Work, and of the International Situation—Abridged Text"]

[Text] Emphasizing that the plenary meeting of the Council of Romanian Working People of Hungarian Nationality is taking place in an atmosphere of strong creative fervor caused by the profound discussion within the entire party and nation of the theses that are of priceless theoretical and practical value, and of the recommendations and guidelines included in the speech made by Comrade Nicolae Ceausescu at the 29 April 1988 meeting of the PEC of the RCP Central Committee, the report highlights the exceptional importance of this program document for further improving our entire socioeconomic activity.

In the spirit of this brilliant speech and of the guidelines and orientations of maximum theoretical and practical importance included in Comrade Nicolae Ceausescu's recent speech at the working meeting with the aktiv and the basic cadre in the fields of organizational, ideological, political, and educational activity, the reports points out that the impetuous and rapid development of the economy, the great expansion of the technical-material base of Romanian society and the fixed assets, and the rapid growth in the national income strongly emphasize the outstanding achievements obtained in the years of socialist construction, particularly in the period inaugurated by the Ninth RCP Congress, when Comrade Nicolae Ceausescu—the most beloved and devoted son of the nation and outstanding thinker, who is leading the destiny and supreme interests of our socialist nation with revolutionary daring and peerless devotion—was chosen for the helm of the party and state through the unanimous will of the Communists and our whole nation.

The report says that for everything achieved along the road of socialist construction and for everything he has done and is doing for the people's well-being and the fatherland's progress in dignity, freedom, independence, and full sovereignty, we pay warm and respectful homage to our illustrious leader, the great hero of peace, Comrade Nicolae Ceausescu.

We express our profound gratitude and regard to Comrade Elena Ceausescu, who is making an important contribution to implementing our party-state domestic and foreign policy and to promoting and asserting the Romanian education, science, and culture.

The report further reads: Expressing once more our profound gratitude for the scientific, wise, and clearsighted policy consistently promoted by the RCP and Comrade Nicolae Ceausescu, we are proud to be citizens of Socialist Romania, a country which guarantees full equality for all its sons through its highly humanistic policy and which creates equal conditions for the full assertion of all society's members and of the human personality.

The measures adopted at Comrade Nicolae Ceausescu's initiative on increasing the working personnel's remuneration, occupational and old age pensions, and the pensions of war invalids are even further proof of our party's concern with raising the living standard. In this respect, we express our whole gratitude to the party from this high rostrum, too. These measures will facilitate the growth of the real incomes of the working people and the entire population, an increase in the consumption of goods and services, and a new quality of life for all citizens in our fatherland. At the same time, they will ensure a steadier participation of all working people from industry, agriculture, and other fields of activity in unswervingly implementing the great targets facing us in the current stage of building the comprehensively developed socialist society. The increased remuneration and pensions clearly illustrate the profoundly humanist nature of our party-state policy and of Comrade Nicolae Ceausescu's revolutionary thinking, according to which everything being built in our fatherland must serve the ceaseless growth of the people's well-being.

The report presents our people's great achievements in the years of socialism when, in a short period of time, our country has covered several historical development stages.

Under the influence of Comrade Nicolae Ceausescu's bold thinking and revolutionary action, the forces of production, which are distributed throughout the country on a rational and balanced basis, have undergone an intensive rate of growth and modernization. In the framework of implementing our vast program of territorial planning, this process acquires a new political and socioeconomic potential and significance.

All the fatherland's sons are perfectly aware that it is the historic merit of Party Secretary General Comrade Nicolae Ceausescu to have conceived and consistently promoted in the past 23 years a scientific strategy for the fatherland's comprehensive development. This strategy gave priority to socialist industrialization, as a sure foundation for the country's rapid socioeconomic prosperity, independence, and firm progress toward communism.

As our party documents point out, in the context of the comprehensive development of Romanian society, a particular importance devolved and continues to devolve on the country's administrative-territorial reorganization, a vast program which is implemented on the basis of Comrade Nicolae Ceausescu's concept and under his leadership. The 2 decades which have elapsed since the application of measures on territorial-administrative reorganization highlight the correctness and major socioeconomic and political significance of these measures, strongly prove the consistency of our party-state policy on rationally distributing the forces of production and raising the socioeconomic and political level of all localities, and emphasize the constant concern with ensuring equal conditions for all the country's sons in work, life, and in asserting themselves in society. Particularly telling is the fact that if only six counties had a per-capita economic activity of 40-60 thousand lei in 1968, this level is currently exceeded by all the country's counties. Some 14 counties have an overall volume of per-capita economic activity ranging between 60 and 100,000 lei, while 27 counties exceed the figure of 100,000 lei per capita. The economic potential of each county thus acquires a healthy and dynamic basis through the fast and efficient development of all branches.

As emphasized in the April Theses, a prerequisite for socialist development and for the implementation of the party program to build the comprehensively developed socialist society lies in the territorial planning and organization program, whose implementation will lead to reducing and even eliminating essential differences between towns and villages, bringing living and working conditions in villages and towns closer together, and creating the necessary conditions for a homogeneous society of working people, with the same strivings and interests in building a free life in accordance with their wishes. In this complex process of planning and organization, an important role will be played by reducing the number of communes and villages and creating agroindustrial centers and towns within the framework of agroindustrial councils. Looking at the reality around us, at the new industrial platforms built in Sfintu Gheorghe, Miercurea-Ciuc, Tirgy Secuiesc, Zalau, and Bistrita—towns in our fatherland which also have a Romanian population of Hungarian nationality—at the new and thoroughly changed aspects of all the country's localities and areas, and at the unprecedented scope of housing and other sociocultural construction, we have clear proof of the fact that only through a rational investment policy, through a judicious deployment of the forces of production throughout the territory, and through a conscious effort of the whole nation along the road of development, can we ensure the further growth of our socialist civilization and the well-being of all our people.

Being proud of these great achievements, in which we are also involved through our daily work, the members of the Council of Romanian Working People of Hungarian Nationality are doing their duty of honor, heart, and conscience when they express, on this occasion, too, their entire gratitude for the brilliant activity of Comrade Nicolae Ceausescu, the most beloved and devoted son of the Romanian people, a great revolutionary patriot, untiring fighter for the fulfillment of our society's aspirations for progress, and prominent political figure of the contemporary world, who is unanimously valued throughout the world.

Referring to the targets established by the 13th RCP Congress for this 5-year plan, the report stresses that their fulfillment requires activity which is full of patriotic and communist devotion and responsibility from all working people. To this end, our council will intensify its efforts, by carrying out steady ideological, political, and educational work under the leadership of party bodies and organizations, to mobilize all Romanian working people of Hungarian nationality from industry, construction, agriculture, and other sectors to make a greater contribution to implementing the great tasks established by the 13th Congress and the National Conference of the RCP.

One of the greatest and most durable achievements of the years of socialism in Romania, particularly during the bright "Nicolae Ceausescu Era"—an achievement that we are proud of—is on effort to consistently ensure full equality among all the country's sons and attain the unity of the working people throughout the fatherland; our people are a united nation, bound together by common goals, desires, and actions around the party and its secretary general, the report says.

The presence of Romanian working people from the ranks of coexisting nationalities in the bodies of our economic democracy and workers management, in the collective leadership bodies of economic units and cultural institutions, in the local and central party-state bodies, in the Grand National Assembly, and in the higher party leadership bodies clearly prove that in the Romania of today the whole nation is participating in running society, and freely and consciously shaping its own destiny.

True equality of rights is also being consistently implemented in the sphere of education and culture. Our country guarantees the right to education as well as free education and, in this framework, the right to and real possibility of learning in the mother tongues of the nationalities. The general introduction of the compulsory 10-year education and later of the 12-year education, the development of the technical-material base of education, and the growth of the scientific level of studies will increasingly enable the Romanian school—as Comrade Nicolae Ceausescu said—to ensure, regardless of the language being taught, the mastering of the common language of science, human knowledge, and work.

On the cultural plane, quite telling is that there are theaters in the languages of the nationalities as well as newspapers, magazines and other publications and an important number of books and pamphlets printed every year. The "Song to Romania" National Festival sponsors amateur artistic groups in which working people belonging to the nationalities also take part. All this undeniably proves that the unhampered use of the mother tongue and the development of the culture specific to nationalities are not only a constitutional principle highly treasured in Socialist Romania but also a tangible reality covering a large area, both in the area of education and of the overall cultural-intellectual life. At the same time, the learning of the Romanian language by the Romanian citizens of Hungarian nationality is not only a means of communication, but also a requirement for their education in a patriotic and revolutionary spirit, a means of knowing the millenia-old history of the Romanian people and of the common work and struggle on these ancient lands for social justice, national unity, and independence, and a factor for cementing the unity of all members of our society. Far from being a simple obligation, the learning of the Romanian language by the Romanian citizens of Hungarian nationality, primarily by the young generation, is a prerequisite for ensuring the comprehensive development of the human personally in the economic, social, and political spheres, for fully exerting all civic rights, for utilizing everybody's creative potential, and for becoming totally involved in the efforts for the country's success, which is of benefit to all the country's inhabitants.

It is known that imperialist, reactionary, and anti-communist circles have recently intensified their attempts at systematically belittling and slandering the socialist countries, the advanced, revolutionary, and progressive forces, and the struggle of nations for national and social liberation and peace. Under the false pretext of defending human rights and supporting the interests of national minorities, the reactionary and neofascist circles foment nationalistic, chauvinist, irredentist, and revanchist manifestations aimed at harming the cooperation and unity of socialist countries and justifying the attempts of certain states and imperialist circles to interfere in the domestic affairs of other countries.

The Council of Romanian Working People of Hungarian Nationality indignantly rejects the chauvinist, irredentist, and revanchist manifestations of certain circles in the Hungarian People's Republic, who deliberately distort realities in our country, slander, and look on the Romanian people's great achievements with hatred, thus malevolently ignoring the profoundly humanistic policy consistently promoted by our party and state to ensure complete equality among all the fatherland's sons and the full participation of the whole nation in drafting and implementing all plans and programs for the country's present and future development.

Recently, we have witnessed repeated attempts—both by certain so called historians as well as by certain politicians from the Hungarian People's Republic—on the one hand, to erroneously depict most important moments in the history of the Romanian people and nation and falsify historical truth and, on the other hand, to distort and even disparage incontestible achievements obtained in the years of socialism and the reality of our times. We know very well and will never forget that reactionary and imperialist forces have often fomented national enmity throughout the centuries as a means of inciting and dividing nations and the workers of various nationalities. History has repudiated these methods and proved their noxiousness. Therefore, we rejected and continue to firmly reject any attempts at our vital interests, at our present and future, at the working people's unity, and at Socialist Romania's prestige and dignity. Interference in the life of a country's citizens as well as solutions fabricated at a distance can harm their interests, can sow dissention, can poison relations between people, nations, and countries, and can damage good-neighborliness, understanding, and peace among states. History has proved that outside interference by political forces and other states, whose interests are alien to those of the inhabitants of these lands, has caused enough damage throughout the centuries to the Romanian people and the Romanian working people of Hungarian nationality. Therefore, we reject and indignantly condemn any interference in the domestic affairs of our country; we do not require and do not accept lessons from anyone.

We follow with concern that hostile manifestations against our country and against the consistent RCP policy are being encouraged in certain neighboring countries and the fact that certain revisionist, revanchist, and irredentist theses—which strive to reconsider certain facts that our history has sanctioned without the right to appeal—are being recirculated there. We consider as extremely serious any attempts to negate the legitimacy of the territorial realities established after World War I and World War II and the attempts to falsify not only the present but also the historical past. We are all too well aware of the past consequences of the propagation of such theses and ideas and of how much damage, pain, and sorrow it has caused the nations.

That is why, the plenary meeting of the Council of Romanian Working People of Hungarian Nationality expresses indignation at the circulation of these reactionary theses, which it firmly rejects. Such theses will find no echo in the consciousness of Socialist Romania's citizens and of the Romanian working people of Hungarian nationality.

In the conclusion of the report, the Council of Romanian Working People of Hungarian Nationality pledges to take all steps and act with all its might and creative capability—under the leadership of the RCP and closely united around Comrade Nicolae Ceausescu, party secretary general and president of the Republic—for the good of the whole nation and for raising our dear fatherland, Socialist Romania, to the brightest peaks of progress and civilization.

Plenum Resolution

AU3006095588 Bucharest SCINTEIA in Romanian 28 Jun 88 p 3

["Resolution of the 27 June 1988 Plenary Meeting of the Council of Romanian Working People of Hungarian Nationality of the SR of Romania"]

[Text] The Council of Romanian Working People of Hungarian Nationality held a plenary meeting on 27 June 1988, when it examined, in a spirit of high responsibility, exactingness, and profound patriotic and revolutionary involvement, the participation of the Romanian working people of Hungarian nationality in unswervingly implementing the theses, guidelines, and recommendations of priceless theoretical and practical value included in the brilliant speech made by Comrade Nicolae Ceausescu, party secretary general and president of the Republic, at the 29 April meeting of the PEC of the RCP Central Committee and the 23 June 1988 working meeting with the aktiv and basic cadres in the field of organizational, ideological, political, and educational work.

Fully endorsing the ideas and guidelines of exceptional significance for the present and future of our fatherland included in these outstanding documents, which have become working and action programs for the communists and the whole nation, the plenary meeting pointed out, which the best sentiments of esteem and profound gratitude, Comrade Nicolae Ceausescu's vital and decisive contribution to creatively applying scientific socialism to Romania's concrete conditions and enriching the universal revolutionary thinking and practice.

With profound gratitude, particular esteem, and high regard, the Romanian working people of Hungarian nationality—in a spirit of full unity of thought and feeling with all our people—are paying warm homage to Comrade Nicolae Ceausescu, the most beloved son of the nation, hero among the fatherland's heroes, brilliant thinker, great strategist and founder of modern Socialist

Romania, and front-ranking personality of the contemporary world, for his tireless activity devoted to raising the country to the highest peaks of progress and socialist and communist civilization.

The members of the Council of Romanian Working People of Hungarian Nationality express most profound sentiments of esteem, regard, and respect to Comrade Elena Ceausescu, eminent politician and scientist of worldwide renown, for her important contribution to the progress of the Romanian science, education, and culture and to the drafting and implementation of our party-state domestic and foreign policy.

The participants in the plenary meeting highly honor our heroic and glorious Communist Party, the initiator and founder of all plans and programs for promoting the fatherland's socioeconomic development and ceaselessly raising the working people's material and intellectual living standard and of the great victories won by Romania along the road of building the comprehensively developed socialist society with the people and for the people and firmly marching forward toward communism.

Fully endorsing the theses, recommendations, guidelines, and tasks set by Comrade Nicolae Ceausescu for the entire party and nation, the plenary meeting of the Council of Romanian Working People of Hungarian Nationality decides:

1. The Romanian working people of Hungarian nationality will take resolute steps, under the leadership of party bodies and organizations, to fulfill and overfulfill the highly important and responsible tasks incumbent upon working collectives in industry, agriculture, construction, and research and on all economic units in 1988 and throughout the 5-year period, to commendably implement the historic targets established by the 13th Congress and the National Conference of the RCP.

2. The Council of Romanian Working People of Hungarian Nationality points out with great satisfaction and with sentiments of high gratitude the importance of the country's administrative-territorial reorganization, an act implemented 20 years ago, as well as the results of the just and profoundly scientific and humanistic policy promoted with unswerving consistency by the RCP and Comrade Nicolae Ceausescu for a balanced and harmonious distribution of the forces of production and for the further implementation of the extensive planning and unprecedented socioeconomic development of all the country's localities. The Council calls on the Romanian working people of Hungarian nationality to take firm steps to unflinchingly implement the country's territorial planning program—the sure road for our socioeconomic development and prosperity—which will create ever better working and living conditions for all citizens, increasingly bring village and town conditions closer to one another, and raise the level of well-being and civilization of all citizens.

3. Taking note, with profound satisfaction and gratitude, of the new decisions on increasing the remuneration of the working personnel and pensions—a telling expression of the ceaseless growth of our socialist fatherland's economic strength and of the constant concern shown by RCP Secretary General Comrade Nicolae Ceausescu with further raising all the people's material and intellectual living standard and quality of life—and realizing that this pay increase comes at a time when the economic crisis and overall working and living conditions are worsening in many countries, the participants in the plenary meeting express the unanimous will and determination of all Romanian citizens of Hungarian nationality, in agreement with the whole nation, to respond to these measures with outstanding deeds of work and a communist, revolutionary, and firm commitment to fully implement plan tasks for this year and the entire 5-year plan.

4. Pointing out with particular satisfaction that, in the period inaugurated by the historic Ninth RCP Congress and at Comrade Nicolae Ceausescu's initiative, we have established and developed a strong system of revolutionary workers democracy, unique in its own way, one which ensures the equal and true participation of all the fatherland's sons in running the entire socioeconomic life and building socialism with the people and for the people, the plenary meeting decides that, in the light of the party secretary general's theses, orientations, and guidelines, the Council of Romanian Working People of Hungarian Nationality should take responsible steps to cultivate among the Romanian citizens of Hungarian nationality a spirit of patriotic pride in the glorious past of struggle of all the fatherland's sons for social and national freedom and justice and to further strengthen the unity of all the people around the party and its secretary general, Comrade Nicolae Ceausescu as well as the brotherhood and solidarity of all working people who are firmly engaged in building the most just and humane society in our country, namely socialism and communism.

5. Pointing out with sentiments of patriotic pride the great socialist achievements obtained through the united work of all the country's citizens, under the tested leadership of our glorious Communist Party, the Council of Romanian Working People of Hungarian Nationality in Romania indignantly reject the manifestations of flagrant interference by certain chauvinist, irredentist, and revisionist circles in Hungary in our country's domestic affairs. These circles slander the Romanian people's historic achievements and look on these achievements with hatred. They promote a policy of setting people of various nationalities at loggerheads, a policy which the most inveterate enemies of socialism have promoted in the past and continue to promote today. All of us who live and work together in Socialist Romania to build a dignified and happy life for ourselves do not allow anyone to interfere in our country's domestic affairs and belittle the great successes scored in building the new system. Those who resort to such

practices condemned by all nations and history are playing into the hands of reactionary and imperialist circles and causing diversion and feuds, thus trying to hide and divert attention from the serious domestic socioeconomic problems they face.

Therefore, on behalf of the Hungarian nationality working people in Romania, we vehemently reject any attempt at interference in our country's domestic affairs. Everyone must properly realize that all problems regarding Romanian citizens of Hungarian nationality are resolved by relevant bodies in the SR of Romania just as all problems regarding Hungarian citizens of Romanian nationality are resolved by relevant bodies in the Hungarian People's Republic. All the problems concerning our life and future are and will be solved only by the RCP, the Romanian State and Government, and the bodies invested by the whole nation with constitutional prerogatives and high responsibilities.

It is in the interest of the Romanian and Hungarian peoples to live in friendship, mutual respect, and good understanding, with a view to building their own socialist destiny. We will take resolute and energetic steps, in keeping with the Romanian people's noble ideals of friendship and peace, to develop relations of good-neighborliness, cooperation, and understanding with all nations in the world.

Inspired by the sentiment of full satisfaction for our present wonderful achievements and for the fatherland's bright future, the participants in the plenary meeting express the full endorsement of the Romanian working people of Hungarian nationality of our party-state domestic and foreign policy as well as their unanimous determination to contribute with all their power of work and creation—fraternally sharing the ideals of the whole nation and closely united around the party and its secretary general, Comrade Nicolae Ceausescu—to implementing the great programs of socialist and communist construction in our common free, sovereign, and independent fatherland, the SR of Romania.

Moscow TV Observes Hungarian-Romanian Dispute

LD2906224688 Moscow Television Service in Russian 1700 GMT 29 Jun 88

[From the "Vremya" newscast]

[Text] TASS—The Romanian agency AGERPRESS has reported that a plenum of the Romanian Communist Party Central Committee has taken place in Bucharest. The plenum approved the content of a letter from the party Central Committee to the MSZMP Central Committee on the problem of relations between Romania and Hungary. Those taking part in the plenum pointed out that in the interest of both peoples, it is essential to do everything possible to normalize relations between the two socialist states. Nicolae Ceausescu spoke at the plenum.

MTI has carried a statement in connection with the decision by the Romanian party and state leadership to end the operation of the Hungarian Consulate General in Cluj-Napoca. Pointing out the gravity of such a step which violates the consular agreement between the Hungarian People's Republic and the SR of Romania, the agency emphasizes the determination of the country's government to conduct a policy aimed at deepening friendship between the Hungarian and Romanian peoples.

PEC Resolution on Ceausescu's Speech

AU2806112788 Bucharest SCINTEIA in Romanian 25 Jun 88 p 1

["Resolution of the Political Executive Committee of the RCP Central Committee in Connection With Adopting RCP Secretary General Comrade Nicolae Ceausescu's Speech 'On Perfecting the Organizational, Ideological, and Political-Educational Activity With a View To Enhancing the Party's Leading Role Throughout the Socioeconomic Activity' as a Program of Work and Struggle of the Party and the Whole Nation"—passages within slantlines in block print]

[Text] The Political Executive Committee of the RCP Central Committee greatly values the guidelines and recommendations of particular theoretical and practical significance included in the speech delivered by Comrade Nicolae Ceausescu, RCP secretary general, at the working meeting with the party aktiv and basic cadres from the organizational, ideological, and political - educational activity, and unanimously decides:

/1. To adopt Comrade Nicolae Ceausescu's masterly speech "On Perfecting the Organizational, Ideological, and Political - Educational Activity With a View To Enhancing the Party's Leading Role Throughout the Socioeconomic Activity" as a program of work and struggle of the party and the whole nation in order to implement the targets and tasks put forward by the 13th RCP Congress and the Party National Conference and aimed the country's socioeconomic development./

The Political Executive Committee expresses profound homage to the party secretary general, Comrade Nicolae Ceausescu—excellent revolutionary thinker and enthusiastic patriot, founder of Socialist Romania, and prominent figure of the present-day world—for his decisive contribution to formulating and implementing the luminous program for building the comprehensively developed socialist society and Romania's advance toward communism, to the constant prosperity of our dear, free, sovereign, and independent homeland and to increasing its prestige in the world, and his contribution to the cause of peace and understanding among all nations in the world.

Fully endorsing the numerous ideas and guidelines included in this noteworthy programatic document, the Political Executive Committee of the RCP Central Committee highlights with deepest respect and great gratitude the contribution of inestimable values made by the party secretary general, Comrade Nicolae Ceausescu, to enriching revolutionary thinking and practice, to the creative application of the general truths of dialectical and historic materialism and of scientific socialism to Romania's specific conditions and to each stage of our country's development, and his contribution to constantly enhancing the leading political role of the party—the vital core of the entire society—in uniting the efforts of the Communists and all working people to successfully build—with the people and for the people—the most just and humane system on our homeland's soil—socialism and communism.

The Political Executive Committee highly appreciates the initiatives and actions of broad international response of the party secretary general and president of the republic, Comrade Nicolae Ceausescu, aimed at achieving disarmament, primarily nuclear disarmament, at solving all conflicts solely by political means and negotiations, at eliminating underdevelopment and establishing a new world economic order, and aimed at building a better and more just world on our planet.

2. The Political Executive Committee decides that the assessments, ideas, and guidelines included in the speech by the party secretary general, Comrade Nicolae Ceausescu, be extensively discussed with the whole party and people, and at the coming RCP Central Committee plenum.

The Political Executive Committee expresses its conviction that the fulfillment of the new tasks and guidelines contained in the speech by the party secretary general will ensure better quality and efficiency in all activities of organizing and managing socioeconomic work, as well as in the organizational, ideological, and political-educational activity of constantly enhancing socialist awareness and molding the new and progressive man of our society—the conscious and enthusiastic builder of socialism and communism on our homeland's soil.

/3. The Political Executive Committee of the RCP Central Committee launches a fervent call on all Communists and our whole nation to work—by resolutely following the excellent example of heroic activity and revolutionary devotion set by by Comrade Nicolae Ceausescu—with the greatest communist responsibility, with great devotion, and boundless patriotic dedication to ensure the complete implementation of the programs for the modernization and intensive development of industry and agriculture, the fulfillment of the targets of the new scientific-technical revolution and the new agrarian revolution, so as to constantly improve our people's material and cultural standard of living—the supreme goal of the RCP policy and the essence of the comprehensively developed socialist society, which we are successfully building in Romania./

PLO's 'Arafat Pays Official Visit

Meets Ceausescu

AU2906195088 Bucharest AGERPRES in English 1920 GMT 29 Jun 88

[Text] Bucharest, AGERPRES, 29/6/1988—Nicolae Ceausescu, general secretary of the RCP, president of Romania, met Wednesday, 29 June, Yasir 'Arafat, chairman of the Executive Committee of the Palestine Liberation Organization, now on a visit to Romania.

During the talk views were exchanged on current international issues and, especially, on the way and means of settling the Middle East situation and of establishing a just and lasting peace in the area.

Yasir 'Arafat informed about the developments in the Middle East and referred to the PLO's efforts toward identifying solutions apt to resolve the existing complex problems and establish peace in the region.

President Nicolae Ceausescu reiterated the principled, consistent position of the RCP, of Romania on a political resolution of the problems in that part of the world, on the need to do everything for a global, just and durable settlement of the situation in the area and the establishment of a lasting peace in the Middle East.

The interview was attended by Ion Coman, member of the Executive Political Committee, secretary of the CC of the RCP, Ion Stoian, alternate member of Executive Political Committee and secretary of the CC of the RCP, Tudor Postelnicu, alternate member of the Executive Political Committee of the CC of the RCP.

Participating were Muhammad Milhim and Yasir 'Abid, members of the PLO Executive Committee, Taysir Quba', member of the PLO Central Committee, and 'Isma'il Ahmad Muhammad, charge d'affaires of the PLO representation to Bucharest.

The talks passed in an atmosphere of cordiality and warm friendship.

Holds Talks

AU3006134688 Bucharest AGERPRES in English 1306 GMT 30 Jun 88

[Text] Bucharest, AGERPRES, 30/06/1988—On Thursday, June 30, Nicolae Ceausescu, general secretary of the Romanian Communist Party, president of the Socialist Republic of Romania, met again Yasir 'Arafat, chairman of the Executive Committee of the Palestine Liberation Organization. On the occasion the exchange of opinions continued related to the situation in the Middle East, to the ways and means of settling the Palestinian question, for achieving peace in that region.

Nicolae Ceausescu restated the Romanian people's determination to further support the Palestinian people's just fight for fulfilling its legitimate aspirations. Romania's president emphasized the necessity that everything be done for the political, negotiated settlement of the problems in the Middle East, for setting up a global just and durable peace in that region of the world, based on Israel's withdrawal from the Arab territories occupied during the 1967 War, on the settlement of the Palestinian people's questions by acknowledging its right to self-determination—to the creation of a Palestinian independent state including, by ensuring the integrity, sovereignty and security of all the states in that area.

Nicolae Ceausescu and Yasir 'Arafat underscored that efforts are necessary for the calling up—as soon as possible—of an international conference under UN aegis on the Middle East issues which should be attended by all the sides interested—including the PLO as the Palestinian people's single and legitimate representative and Israel, as well as the permanent members of the Security Council.

During the talks appreciation was given to the results of the recent summit Arab Conference in Algiers as an important contribution to finding solutions apt to open the path of settling the Middle East issues. The necessity was underscored to promote new actions and initiatives meant to contribute to the phased-out settlement of the situation in that region.

This time, too, Yasir 'Arafat warmly thanked Romania, the Romanian head of state personally for the permanent support granted to the Palestinian people's just cause, highly appreciating the actions and initiatives of Romania, of its president in favour of installing peace in the Middle East, of achieving the Palestinian people's legitimate aspirations.

Nicolae Ceausescu and Yasir 'Arafat voiced their belief that that new meeting which goes down within the good ties between Romania and the Palestine Liberation Organization, between the Romanian and the Palestinian peoples would contribute to the further development of the bilateral relations in the mutual interest, in the interest of constructively settling the problems in the Middle East, of the cause of security, understanding and peace in that region and worldwide.

The talks were held in a cordial atmosphere of mutual friendship and understanding.

'Political-Cultural' Meeting in Ljubljana

AU2906194088 Belgrade BORBA in Serbo-Croatian 23 Jun 88 p 11

[S. G. report: "The People's Fate Is Not Decided in the Street"]

[Text] About 25,000 citizens of Ljubljana responded to the invitation of the organizers and attended a political-cultural meeting held in support of Janez Jansa, David Tasic, and Ivan Borstner. At the Liberation Square, in front of the Ljubljana University building, people made speeches, recited poems, and sang patriotic songs for almost 3 hours.

Above the lively crowd were hoisted banners and slogans which read: "For democracy—human rights—freedom of expression"; "Human rights for Jansa, Tasic, Borstner—for all of us"; "Military courts—no thanks"; "Do not rouse worms of suspicions—say what is wrong"; "For a lawful state—Slovenia—Jansa, Borstner, Tasic"; "Jansa go home" [in English].

At the meeting which was organized by the Committee for the Protection of Human Rights, the Republican Conference of the Slovene Youth Organization, the Student Cultural-Artistic Center "Forum," and the University Conference of the Ljubljana Student Youth Organization the following appeared: The Slovene Wind Quintet, the Tone Tomsic choir, and Slovene poets and writers Rudi Seligo, Dane Zajc, Veno Taufer, Drago Jancar, and several dancing groups and rock bands.

The first to speak—on behalf of the Committee for the Protection of Human Rights—was Igor Bavcar who said that 3 weeks ago he could not believe that a country which has reasons to feel proud of its socialist democracy, has a Criminal Code that does not provide for the "legal defense" of those who are being investigated. We are also concerned, Bavcar stressed, that the laws invoked by the organs in charge of the investigation in essence hinder and infringe upon the sovereignty of the Slovene state.

Bavcar pointed out that the committee receives numerous messages from the citizens daily. They are characterized by the concern that the respect of everybody's rights depends on the respect of the rights of those detained. When attempts are made to treat the Slovene and the Yugoslav democratic public as masses, Bavcar stressed, they act resolutely, and in a cultured and civilized manner.

Our courage as citizens, or if you like, our national courage, Bavcar said, cannot be judged by this meeting, nor can it be disavowed and dismissed by some provocations at the expense of the Yugoslav People's Army which we strongly condemn. We want to say that at present we all—communists or non-communists, faithful or atheists, the Slovenes or the members of other peoples and nationalities, peasants, students, and intellectuals—must persist in our demands signed by more than 35,000 individuals and about 400 organizations. These demands are: correctness and lawfulness must be ensured in the treatment of the arrested; they must be immediately released; and if charges are to be filed against them, they must be given the opportunity to defend themselves from outside the prison and with the help of civilian lawyers.

Bavcar concluded his speech by saying the following: "We also demand that the legislation be changed and that some kind of supervision of the state and military organs in charge of investigation be provided."

Stressing the truth about the arrest of Jansa, Tasic, and Borstner can only be provided by the appropriate organs, which in addition to having to display expertise, must also be accountable, Tone Anderlic, president of the Slovene Youth Organization also said the following:

We want to be a mature nation, a nation that has its legal state. Young people are particularly interested in this, and therefore they must strengthen the authority of their own institutions, while the institutions must do the same to an even greater extent.

Anderlic stressed that he categorically distances himself from all the cases of excessive behavior that could lead to an increase in intranational intolerance, on the national basis as well as in relations toward the members of the Yugoslav People's Army, because in some cases this had already happened. Dissociation is not enough, but I am convinced, Anderlic stressed, that in the future we will prevent this more energetically. I also categorically protest all the exaggerated statements and reactions that have been made.

Interrupted by loud applause, just like the two previous speakers, Gorazad Drevnesek, president of the University Conference of the Ljubljana Youth Organization, said among other things:

The fate of Slovenia and of the Slovene people is being decided in the street instead of being decided at universities, in scientific discussions, and schools.

We do not, Drevnesek stressed, regard the arrest of Jansa, Tasic, and Borstner as a normal process. For us they were not arrested, but kidnapped. For this reason, we do not believe anybody who is trying to convince us that this is the reality of a legal state. In such situation the only sensible thing to do is to directly approach the Slovene Assembly which is responsible for the present situation.

We are not interested in the relations between the republican and the federal assemblies, but only in whether the Slovene Assembly is capable of ensuring a legal system which would guarantee to the citizens of Slovenia at least the minimum civil protection from the self-will of the police and the Army. This is why here we demand that the legislation be changed at once in order to prevent the Army's interference in the lives of free people, that the Army be disciplined, and that it be stripped of the present right to categorize certain documents as military secrets, while not informing the Assembly about such documents. The Army should definitely be subordinated to the civil authorities, and this is why we ask the Slovene Assembly to seriously think about its role and to enable the citizens to decide on constitutional changes through a referendum. The Assembly should set up a commission to investigate the "Jansa case," and the conduct of the military organs, Drevensek said.

The official part of the meeting in the Liberation Square went off without any incident. The organizers themselves took care of keeping order. But they did not have anything to do.

On behalf of the Slovene Writers Association, Rudi Seligo said that the Slovene writers had received support from the Croatian Writers Association, the Serbian Writers Association, the Serbian and Croatian PEN centers, and the International PEN center from London. Instead of making political speeches, Drago Jancar, Rudi Seligo, Veno Taufer, and Dane Zajc read passages from their books.

[The following passage appears boxed within the body of the item]

Protest in Front of Military Prison [subhead]

After the final program at the Liberation Square in Ljubljana, a group of several hundreds of participants in the meeting gathered in a nearby park where they sang songs and danced.

As Radio Ljubljana reported in its "midnight news," a half of this group dispersed about 2215, but a group of about 200 people chanting "We want Jansa" proceeded toward a military prison in the Miklosiceva, Cufarjeva, and Kotnikova streets. They were followed by militia cars all the time, and at the junction of the Slomskova and Metelkova streets militia blocked the road, but the "passengers" passed through, arrived in front of the barracks, and started singing and shouting.

Militia members acted very soberly, as was reported in the "midnight news" program, and therefore there were no incidents in front of the barracks. After it had finished singing and shouting the "Wiser person always gives in," the group started to disperse and to walk toward the city center in smaller groups.

Red Handcuffs [subhead]

The latest issue of MLADINA dated 25/24 June was also sold at the cultural meeting. The magazine had already been on sale in the streets of Ljubljana on Wednesday. Like the previous issues, this issue of MLADINA was very much devoted to the "cases of Jansa, Borstner, and Tasic," starting with the first page on which the hands of two men were tied with a pair of red handcuffs, to commentaries, and a special bulletin of the Committee for the Protection of Human Rights.

One of the topics covered in this issue is the continuation of MLADINA's article about sale of arms. Objectively speaking, the red handcuffs on MLADINA's front page are, regardless of the editorial board's motives, a kind of political provocation in which the red color is used as a symbol of repression. [end of boxed passage]

The events that took place in Slovenia in the last few months undoubtedly carry in themselves precious and democratic potentials, but also warn—as demonstrated recently—that this democratic opening up is not free of certain risks. They particularly warn that the nationalist and separatists forces and tendencies are beginning to look for their place in the open political arena. This was clearly demonstrated by several banners such as "Kill everything that comes from the south" or "Secession of NKS" [expansion unknown].

The Slovene Communists and all other socialist and democratic forces must therefore have greater (rather than smaller) obligations and responsibility in dealing with the risks of democratization which they are putting into practice, as well as in opposing everything that is regressive, everything that could devalue, threaten, or even halt this "democratic opening up." There should have been more of this kind of opposition. For instance, the communists at the meeting in Ljubljana should have taken a clear stand toward flirtings with "secession," and toward the nationalist harangue against "southerners." A public scene is not only for presenting demands, it also binds the people to "struggle against."

It is good that Tone Anderlic promised a more resolute opposition to the attacks on the Yugoslav People's Army. The Slovene Communists and socialist forces have historic responsibility in opposing everything that could compromise the incipient process of democratization. The awareness of this implies that the essence of the demand, "Do not rouse worms of suspicions—say what is wrong," and especially this latter part, "say what is wrong," should not be primarily applied against others.

DELO on Protest Meeting

AU3006202388 [Editorial Report] Ljubljana DELO in Slovene on 22 June on page 1 reports on, and on page 24 facetiously comments on, the "cultural meeting" in Ljubljana on 21 June.

Darja Verbic in a 300-word front-page report on the meeting entitled "Gathering for a Legal State and Democracy" reports that "Much before 1800 hours today, before the announced cultural meeting staged in support of Janez Jansa, Ivan Borstner, and David Tasic, the Liberation Square in Ljubljana was flooded by a large crowd of people." She reports that "after Igor Bavcar presented the basic requests by the Human Rights Protection Committee," Tone Anderlic, president of the Republican Conference of the Socialist Youth Federation of Slovenia, addressed the meeting. She quotes Anderlic speaking about "the support for a quicker affirmation of the irresistible process of democratization of socialist self-managing society" and "the concern of the public for the further fate of the Slovene and the Yugoslav communities."

A picture of a crowd of people filling the Liberation Square in the middle of the front page carries the caption: "Immense Crowd: Over 25,000 people gathered at the cultural meeting yesterday, and they often applauded the performers. These included the Slovene Octet, the Tone Tomsic Choir, Rudi Seligo, Dane Zajc, Veno Taufer, Drago Jancar, Pankrti pop group, Martin Krpan, and others."

The facetious column "And That, Too" on page 24 reads as follows:

"Pause—At 1815 yesterday, Ljubljana Television began a relay from the Liberation Square where a cultural meeting was under way: this was a manifestation of solidarity with detainees Jansa, Tasic, and Borstner. When Igor Bavcar, representative of the Human Rights Committee—which is to say the organizer of the meeting—began his speech, the relay was broken off after a few sentences. After that (to the great joy of viewers, of course) television displayed the sign "Pause." A few moments later it showed wonderful shots of Adriatic islands.

"Among these shots, we did not see any of Goli Otok." [the island where pro-Cominform convicts were kept in a prison camp after 1948]

Jansa, Tasic, Borstner, Zavrl Indicted

LD3006104288 Belgrade TANJUG Domestic Service in Serbo-Croatian 0838 GMT 30 Jun 88

[Text] Ljubljana, 30 Jun (TANJUG)—Following an investigation, the military prosecutor of the Ljubljana Military District has brought an indictment with the Ljubljana Military Court against Ivan Borstner, a sergeant major, for the crime of disclosing military secrets under Article 224, paragraph 2, of the SFRY Criminal Code. Indictments were also brought against David Tasic, journalist, and Ivan Jansa Janez, also a journalist, for the crime of disclosing military secret under Article 224, paragraph 1, of the SFRY Criminal Code. The military prosecutor has recommended that the detention of the three be prolonged until the main trial is completed.

On the basis of evidence collected during the investigation period and under Article 160, paragraph 6, of the Law on Criminal Procedure, the military prosecutor has also charged Franci Zavrl, the responsible editor of MLADINA with the same crime. This is all stressed in a public statement signed by Colonel Zivko Mazic, military prosecutor.

In mid-January 1988 the accused Ivan Borstner, without permission from authorities, photocopied a strictly confidential military document to which he had access as part of his job. The document referred to the organization, tasks, and combat readiness of some YPA units. He gave the document to David Tasic and informed him of the content and nature of the document. Having read the photocopied document, Tasic passed it to Franci Zavrl, who made some more copies of it. Zavrl gave one copy to Ivan Jansa to use in his articles on military problems, on which he is an expert, in the same way as he used other documents, which were in his possession without authorization. Jansa studied the document and kept it in an unlocked drawer of his desk in his office, where it was found during a search by the internal affairs organs.

According to the indictment, all the accused were aware that the document contained a military secret despite the fact that Borstner, before handing the document to Tasic, cut out a part of the front page of the document with the command's seal and the mark stating the degree of confidentiality. In view of the nature and importance of the details contained in the document, which will be discussed during the main hearing, the military prosecutor has recommended, under Article 288 of the Law on Criminal Procedure, to exclude the public from the hearing.

On Jansa Hunger Strike

AU3006160788 Ljubljana Domestic Service in Slovene 1330 GMT 30 Jun 88

[Text] We have received a new statement from the Human Rights Protection Committee which says, among other things:

In his statement to the public, the military prosecutor fails to provide the reasons for his request that the detention be extended. The committee has had justified doubts about the existence of any reasons for the detention [words indistinct], and therefore it has even greater doubts about the justification of the proposal to extend the detention. [Words indistinct] demands by the democratic and professional public and the positions of the highest organs of authority and political organs of the SR of Slovenia indicate the justification of our suspicion that the rights and freedoms of those detained have been crudely violated, that the legality and correctness of the procedure (?have been infringed), (?and that) the conflict between the Yugoslav People's Army and the SR of Slovenia has been even more politicized in this way.

Among other things, this can be seen from the military prosecutor's public statement which leaves the opportunity open for incriminating the entire editorial staff and correspondents of MLADINA.

The committee insists on the fundamental demands by the democratic public and the political organs and organs of authority in the SR of Slovenia. These are: The detainees should be released from custody at once, they should be allowed to remain free pending trial and should be allowed to have a civilian counsel, and the public should be admitted to the trial.

The committee has been informed that Janez Jansa began a hunger strike yesterday afternoon. This hunger strike will continue until he is released from detention.

[Words indistinct] obvious creation of an atmosphere of a state of emergency, displayed in totally ignoring the demands by the democratic public and the positions of the authorities and the political organs of the SR of Slovenia, the committee calls the public to behave in a civilized and democratic way. It announces that it will do everything in its power to protect the rights of those detained.

Slovene Youth Presidium Discusses Elections

AU2906155888 Ljubljana Domestic Service in Slovene 1300 GMT 29 Jun 88

[Text] The Presidium of the Socialist Youth Federation of Slovenia met today on the eve of the session of the election conference of the Socialist Youth Federation of Slovenia which is to be held tomorrow to relieve the old youth leadership and elect a new one. The Presidium first discussed the cultural meeting that it helped to organize last week as a sign of solidarity with Jansa, Borstner, and Tasic, who have been detained.

It assessed that the participants in a dignified and democratic way expressed their anxiety and concern at the protection of human rights and freedoms. This cannot be spoiled by the march of a group of youths after the show ended, although some media exaggeratedly described it as an incident. On this occasion the Presidium declares again that it is against all acts of violence, and especially those directed at the Yugoslav People's Army personnel.

The Presidium further discussed the possibility of carrying out the elections of a new Presidium. Considering that Jansa, a candidate for president, is being detained, a majority proposed that all the other organs should be elected now, and the president later. Some advocated that all the elections be postponed. A small number of Presidium members believe that the president should also be elected.

All the proposals will be discussed again at the conference session tomorrow.

Elections Postponed

AU3006165288 Ljubljana Domestic Service in Slovene 1330 GMT 30 Jun 88

[Text] A program and election session of the Socialist Youth of Slovenia conference was held today. It was to elect a new youth leadership. The delegates first learned about the military prosecutor's indictment against Jansa, Borstner, Tasic, and Zavrl. After a session of the Presidium, the conference adopted the proposal to postpone the elections for 2 weeks. Matjaz Albreht reports:

Although some delegates wanted to have the elections, all the circumstances notwithstanding, the conference noted that the three candidates for president do not face equal conditions. Despite numerous requests, Jansa could not be informed that he was a candidate. In addition, so many events incriminating the work of the youth organization followed since 7 June, when the nomination conference was held, that they will have to be assessed before the elections. In this connection, the Yugoslav Youth Federation and the SAWP will be asked to provide conditions under which the Slovene Socialist Youth Federation will be able to work legitimately.

The conference then discussed a report by the Presidium on the past 2 years. Tone Anderlic said that the problem of organization and of a work method appeared throughout the youth activities. It was shown that the time of conventional forms and methods of political activities had passed, and what was needed now more than ever was to adjust these methods to the kinds of activities and the particular features of the communities. Wherever youth acted publicly and [words indistinct], they succeeded. Where they resorted to [words indistinct] methods, they did not succeed in (?arousing the young people).

Speaking about some excesses that accompanied the youth in the past period, Anderlic said that they concerned the key problems of a democratic development of our society. It is indisputable that the youth organization set a number of new ideological incentives, among which some used to be untouchable, particularly in the field of all-people's defense and social self-protection. It is difficult to understand that democratic and constructive proposals, such as for instance the question of an alternative way to do one's military service, have met with an irrational reaction in numerous bodies.

In this context, one should also assess the writings in the magazine MLADINA which, despite slips, opened up a number of questions which were rejected without any proper reasons, Tone Anderlic concluded.

The conference adopted the report.

In conclusion, the delegates (?were acquainted with a statement by) Franci Zavrl, responsible editor of MLADINA, who explains that in the past 6 months he had lived under stress which led to a mental breakdown, because of which he has been admitted to the University Psychiatric Clinic in Ljubljana. He denies the accusations in the indictment filed by the military examining judge.

Attacks on Army in Slovenia Listed

AU2906175488 Ljubljana DELO in Slovene 22 Jun 88 p 13

[Uro Sostaric report: "'We Do Not Want To Alarm the Public, but Want To Acquaint It With Events'"]

[Text] Ljubljana, 21 Jun—At the suggestion of DELO editors, Colonel Tomislav Ljubic, of the Ljubljana Army Region Command, today answered questions on the increasing attacks or pressure on the Yugoslav People's Army [YPA] personnel.

At the very beginning of his interview, Tomislav Ljubic stressed that detailed data have been collected only for the period from March to June this year, when verbal and physical attacks on YPA personnel had become more frequent, but that the intention is not to alarm the public with these data, but only to acquaint it with where irresponsible writing, incorrect presentation of events, and thus misleading the public leads.

First, about the events:

In Novo Mesto on 16 March, two youths on motorcycles blocked the path of a car in which a junior officer and his wife sat. When the officer asked the youths to move out of the way, he received a blow on the chin, and was also told: "What are you officers doing here, you should be chased out of Slovenia." The attack was reported to the Internal Affairs Administration in Novo Mesto.

In Celje on 3 June, at about 1930, a junior officer in "his kind" of Slovene warned some boys in front of an apartment block that they should not race round the block. The boys then gathered and began to insult him: "Southerners, go home, we have to feed you," "Learn Slovene," and so forth. One of the group then hit the officer in the face and slightly hurt him. The attack was reported to the Internal Affairs Administration in Celje.

In Ptuj, at about 1900 on 12 May, a group of 10 young men armed with chains ambushed three soldiers in the town park who were returning from the post office and attacked them without any reason. All three were slightly hurt and obtained treatment at the Ptuj hospital. While they were hitting them, the young men were saying: "Southerners, go home," "This is Slovenia." The attack was reported to the Internal Affairs Administration.

In Maribor at about 2200 on 17 June, a group of youths attacked a sailor and his civilian friend. The sailor was slightly hurt and was held for treatment. The high-spirited youths took away his cap. The attack was reported to the Internal Affairs Administration.

In Partizanska Street, Maribor, on 7 June, a youth poured a bucket of water from the third floor of a building onto an officer from Belgrade who was on official travel in Maribor. Others laughed loudly.

In Ljubljana, at the intersection of Tavcarjeva and Titova Streets, at about 1330 on 16 June, one of several youths standing on the sidewalk poured a bucket of dirty water through the open window of a car driven by an officer.

At the military installation of Poganci near Novo Mesto on 8 June, two youths threw various objects at the sentry and swore at him, and then fled on motorcycles.

At the Ljubo Sercer barracks in Ljubljana on 15 June, a group of 10 to 15 young people provoked the soldier on sentry duty, swore and spat at him, exposed their sexual organs, and so forth. The soldier did not react and had to withdraw.

In Maribor on 16 June, a group of 10 youths loudly shouted "Jansa, Jansa" after two uniformed officers until they walked away.

At an inn in Pivka at about 2200 on 16 June, two civilians addressed two uniformed officers with the following words: "We have won and we will win," "Where are your pistols and submachineguns." The officers walked out.

In an inn in Dravograd in April, they refused to serve drinks to a soldier with the excuse: "We do not serve soldiers." A similar case occurred in Ljubljana recently.

Along with the said cases, which constitute a small portion (about 20 percent) of all in this period, the number of threatening letters and telephone calls also increased. Officers are cursed on a national basis and are given deadlines by which they should move out of Slovenia. Officers in charge of the proceedings against the three detained citizens are particularly exposed to this pressure. Among other things, military persons are told over the telephone that their children have been injured in road accidents, and so forth.

An increasing number of slogans with nationalistic and insulting content are noticed in public places. In a Kranj work organization, slogans saying "Hang the Serbs," ["Srbe na vrbe"] "Chain the Bosnians," ["Bosance na lance"] and "Kill everything that comes from the south," have been discovered, and in Titovo Velenje, the inscriptions, "YPA f—k off" [words printed in English] and "Secession of NKS." [expansion unknown]

In the euphoria during the collection of signatures for the three arrested men, children of military personnel were pushed to sign, although their age was between 8 and 12 years. Afterwards, these children were isolated and were marked as peculiar. Colonel Ljubic stressed that this happened in several Ljubljana schools, and he especially mentioned the Valentin Vodnik Elementary School. "Whoever does not sign is no Slovene," children were told. "Whatever the children are, they are not all Slovene, and why should they be differentiated as such. Children are probably not different in their nationality, but rather in their abilities, diligence, and honesty. Older people are probably to blame for such divisions," Colonel Ljubic mused. He also expressed his conviction that the progressive Slovene public and especially the intellectuals would denounce such conduct by individuals and groups. "It is the self-protective duty of every citizen not only to report any such conduct, but to prevent hooligan behavior by individuals or groups against anybody, and especially against YPA personnel, for such acts have a negative political connection in the present situation."

"In our political education work, we impart to our personnel information that strengthens brotherhood and unity of our peoples and nationalities. We have not given any special instructions to soldiers and officers because of the cases listed. We have told them to act reasonably and to react to provocations in a dignified way. The question, however, is what impressions will these soldiers take home after they complete their army service," Colonel Tomislav Ljubic said. He stressed that "the YPA personnel have patiently borne such and similar excesses and somehow ignored them as individual and isolated cases. The commands and the basic organizations of the LC and the Youth Federation in the army units encourage dignified behavior by YPA personnel, and they particularly stress that individual cases should not be generalized and that they should not spoil the otherwise good general relations between the YPA personnel and civilians. They nevertheless expect the responsible people to prevent such behavior, appeal for civilized behavior, and also do something if necessary."

Data Published on Attacks

AU3006160588 Belgrade BORBA in Serbo-Croatian 25 Jun 88 p 6

[V.S. report: "There Is No Organized Activity"]

[Text] Between 1 March and 20 June, there were 19 cases of open attacks on the members of the Yugoslav People's Army and other military personnel, which is to say the YPA, registered in Slovenia. There were six cases of hostile slogans, three various provocations, and four fights. On 16 occasions military personnel violated the public order and peace or committed a criminal offense. But they mainly violated public order and peace nine times. This was stated by Ivan Jakic, assistant republican secretary of the Slovene Secretariat for Internal Affairs to DELO, after Tomaz Ertl, republican secretary for internal affairs had made a promise that this information will be provided.

Considering that every year there are approximately 2,300-2,500 fights, in other words about 7 a day, it would make no sense to provide a breakdown of people who committed this kind of offense because we know that every year soldiers are involved in 20 fights and quarrels on the average, Jakic said. Some individuals' dislike of the YPA were behind the majority of the verbal and written attacks on the YPA. Their actions were stimulated among other things by articles in the youth press, because some slogans were identical to those in MLADINA. In addition, the attacks contained the similar vocabulary used in other hostile attacks. By belittling the YPA, the offenders are attacking at the same time the LC, brotherhood and unity, and the organs of the Secretariat for Internal Affairs. There was not a single case of violating public order and peace on the basis of which the internal affairs organs could establish the existence of an organized hostile activity against the YPA.

Juveniles Lead the Way [subhead]

According to Ivan Jakic, these offenses are committed by young people or even juveniles under the influence of alcohol. Up to now, all conflicts and other excesses have been spontaneous or accidental. The same applies to the offenses committed by the military.

Jakic also explained some attacks on the members of the YPA that took place in the same period: On 18 March three unidentified persons provoked a YPA officer at the bus station in Ljubljana; on 23 March Joze. G. of Skofija Loka quarreled with two soldiers near army barracks claiming that they scratched his car with a broom. Since he had insulted them, they reported him to the court for misdemeanors. On 4 April Joze. G.'s children, presumably as revenge, threw stones at the windows of the Joze Gregoric barracks, and then ran away. On 12 May, a fight broke out in a Ptuj park involving 10 drunken men who were celebrating one of their birthdays. Among those in the group were a young man just called to do his military service and three soldiers. After the insulting words such as "lizards" and "peasants" were exchanged, they started to fight and one person was slightly injured. Franjo O. who is known as a rowdy, and who was on leave, used a chain. Militiamen detained five men and reported them to the basic public prosecutor's office. On 3 June in Celje, a quarrel broke out between two juveniles and two noncommissioned officers in civilian clothes because the two youngsters were riding motorcycles between the residential blocks of apartments. In a quarrel and fight the two juveniles made chauvinist insults. All participants in the fight were reported to the judge for misdemeanors. On 7 July, Vinko K. was watering his roses on the window ledge of his apartment, but spilled some water in the street. At this moment an army officer was walking underneath, but he did not get splashed. Vinko K. did not do this intentionally and he apologized to the officer. On 10 June, in front of the 4 July army barracks in Ljubljana, a drunken 54-year old Janez K. quarreled with the guard and "demanded" from the duty officer a detailed explanation as to why Jansa, Borstner, and Tasic were arrested. On 14 June, an unidentified person threw stones at the guard of an army unit that was camping in the Strazunska forest in

Pobrezje near Maribor. The solders searched the forest and caught 19 year old Drago S. This case is still being investigated by the Secretariat for Internal Affairs. On 15 June, a group of secondary schools kids insulted the guard in front of the Ljubo Sercer army barracks in Ljubljana (as we have already reported, they also spat at the soldier). The Bezigrad SAWP and the youth organization condemned this incident and described it as an uncultured act. On 17 June, a group of four or five boys beat up a soldier and his friend in Maribor.

According to the data gathered so far, most of those involved in quarrels and fights were under the influence of alcohol.

Graffitti Against LCY Too [subhead]

Other cases of individuals' attacks on the YPA, Jakic explained, were dominated by the graffitti of hostile content directed against the YPA and the former federal secretary for national defense, and recently against the LCY and YPA. Some graffitti called for Jansa's release.

Jakic also mentioned some offenses committed by the members of the Army (in the same period): On 12 April Lieutenant Colonel Rade Otasevic from Cerklje on the Krka tried to run away from a traffic accident and did not obey the instruction of militiamen, but physically attacked them and injured one of them. A YPA commission and the Secretariat for Internal Affairs established that militiamen behaved in accordance with the law, and that Rade Otasevic's behavior had all the characteristics of a criminal act....On 29 April, a soldier stationed in Maribor, together with his brother—both of which were drunk—attacked a woman driver and her husband on the road near Sloven Gradec and injured the woman slightly. On 13 April, in the bar Tropic a fight broke out among a group of soldiers from Maribor. Militiamen caught two soldiers and handed them over to the military police. On 9 June, in the bar Bum in Tolmin, three soldiers were singing. The bar maid asked them several times to sing more quietly, but they did not take any notice. When one of the guests asked them to stop singing, one soldier started to beat up the guests.

Kucan Explains Remarks on Slovenia

LD2906121188 Belgrade TANJUG Domestic Service in Serbo-Croatian 1022 GMT 28 Jun 88

["Milan Kucan: What Did I Say at the LCY Central Committee Presidium Session"—TANJUG headline]

[Text] Ljubljana, 28 Jun (TANJUG)—At yesterday's session of the Slovene LC Central Committee, Milan Kucan informed the members about the content of his discussion at the 29 March session of the LCY Central Committee Presidium which triggered differing interpretations, speculations, and even rumors among the public about alleged preparations for a military coup in Slovenia.

I received a number of questions and demands about this, including some from members of this Central Committee, Kucan said. It is now clear that the rumors about the alleged military coup were linked to my discussion and my shorthand notes there, which I never authorized. Taken out of the session's context, they have been used as a pretext for various speculation, although they refer to the situation which came about in Slovenia and later in the whole country following MLADINA's hostile and inappropriate articles against the Army. The Slovene LC Central Committee outlined its political conclusions on this at its 17th session. Daily papers reported on it in great detail. This set off rumors about alleged plans for a state of emergency and a military coup in Slovenia. The Republican Committee for Information on 20 May made a statement on this, and later the SFRY Presidency, in its capacity as the supreme commander, also made a statement. I myself spoke about this at a rally in Tolmin on 28 May, Kucan said. I do not know how the unauthorized version of the shorthand notes became public; however, I am prepared to assume full responsibility for it, since the potential for speculation and manipulation of the public, which is not aware of the course of the session, are great, Kucan stressed. Explaining the content of his discussion at the session, Kucan particularly stressed that the debate focussed on the situation after the appearance of some articles in MLADINA. He explained that he recommended that the draft standpoints should not be adopted, because some of the views were unacceptable because they were not objective and did not reflect the real situation and at the same time were likely to foment some old issues and political insinuations. Our opinion, Kucan said, was that the standpoints could not be used as a means of political action in the Slovene LC and Slovenia in general. Such views and especially suspicions about some kind of counterrevolution in Slovenia and deliberate attempts at destroying the state's unity will not secure unity either in the Slovene LC or within the LCY.

Our disagreement with the standpoints did not, of course, imply that we underestimated the overall sociopolitical situation in Slovenia, which has become rather complicated. Nor did it imply that we rejected a priori warnings of the shortcomings in our political work or the relevant issues, to which the standpoints should provide solutions, Kucan said. However, these issues cannot be taken out of the context of the general sociopolitical circumstances, the economic crisis, and the development problems in Slovenia and Yugoslavia, all of which are of crucial importance. In Kucan's view these are the problems most affecting the political, social, and overall situation and causing distrust, mutual accusations, and great dissatisfaction among people. In our view, the proposed standpoints did not give the true picture of the attitude the working people and youth of Slovenia have toward the YPA or of the YPA's real standing in Slovenia, Kucan says. A one-sided analysis of a few articles from MLADINA is not sufficient to objectively assess this. Such attempts are being made to create the impression that YPA and its members are under threat in

Slovenia, that there is a large-scale conflict between the people and the Army, etc. Facts and the Army's own views do not bear this out, but on the contrary, provide evidence of good relations.

According to Kucan, it is not true that there was no reaction to the attacks on the YPA. The Slovene LC Central Committee session also adopted clear standpoints on this. We oppose some of MLADINA's unacceptable views and articles not because of pressure from Belgrade or the General Staff, Kucan said, but because of our belief that they contain hostile messages and are antidemocratic. Democratization and the political struggle within it are not tactical moves, Kucan stressed, but the document proposed at the session would not help us in our efforts. It would, in fact, be damaging for us.

We have no evidence that this is a deliberate, coordinated, and overt activity by special warfare forces with obvious subversive aims or that there is collusion with hostile emigres, Kucan says. We have no evidence either that the editorial boards merely carried out orders of those behind them. Who are they? Is it political emigres, as some are trying to prove by using various fabrications, Kucan asked, noting two articles, one in BORBA and the other in POLITIKA, in which attempts are made to prove the existence of links between MLADINA articles and Ustasha emigres. If all this was known and proven, it was rather irresponsible of the relevant services not have reacted to this or not to have informed relevant organs in Slovenia about it, including the internal affairs organs. There is a real danger—and it is my duty to warn of it—that as a result of such reckless moves, the Slovene leadership may lose the confidence it fought so hard to regain after the 13th and 10th congresses [of the LCY and Slovene LC, respectively].

Kucan said that he had warned of a very tense atmosphere in Slovenia. We are faced with a halt in our economic development, production is falling, workers are being laid off, banks do not have sufficient liquid assets to finance personal incomes, and there is a threat of strikes in the public services. Additionally, contributions to the funds for underdeveloped republics and Kosovo have increased by 320 percent in Slovenia, in some work organizations and municipalities 6-fold, and in some 12-fold.

Kucan said that these issues and not the search for nonexistent enemies require the increased effort and efficiency of Slovenia's political leadership. In his view, our problem is not simply stagnation, but lagging behind with all its social, economic, and political implications and problems, which unfortunately, cause problems in intranational relations. In this respect no help is expected from any quarter in light of the difficult financial and economic situation in all the republics and provinces. However, Kucan said, we expect to be spared additional difficulties in our political action. There has been no reaction in other parts of Yugoslavia to the anti-Slovene mood which is being fomented by various biased and tendentious articles on Slovenia, the number of which seems to be increasing again. There is no willingness to curb or prevent this.

Kucan drew attention to a unanimous view in Slovenia that if the proposed document is adopted despite the fact that the Slovene LC Central Committee cannot identify with it, then the Slovene LC Central Committee will not assume any responsibility, but at the same time we think that the 13th LCY Congress resolutions can be implemented in each of the republics and provinces in the way most suitable to their specific political and other circumstances and that the responsibility for their implementation, on lies with the LC leaderships in individual republics and provinces.

Stating that Slovenia was not against the LCY Central Committee Presidium adopted a document which places the issues of the Army and All-People's Defense at the center of political attention, Kucan said that such a document should be drafted differently. It would help the political action in the entire LCY, including the Slovene LC. It should provide a precise and objective picture and real dimensions of the problems affecting us. I should also warn of the interdependence between these problems and the overall situation in the country, the crisis, economic stagnation, and uncertain prospects. The issue here is not just attacks on the YPA but the general attitude to the YPA and All-People's Defense.

In Kucan's view, newspapers articles cannot be taken as a criterion for assessing the nature of the attitude toward the YPA. By the same token, it cannot be automatically assumed that the YPA has completely fulfilled its political function in our political system and that it is perfect, while we all—especially the LCY and political leaderships—have made all the mistakes. Kucan particularly warned that it would not be sound to allow confrontations or differentation within the LCY just because of one-sided assessments of our reaction to the attacks on the YPA. This could lead to negative developments and in Slovenia to a process of negative homogenization of Slovenes and an anti-Yugoslav, nationalist, and separatist platform. Rumors about special warfare and searches for nonexistent enemies will not produce the results we need in developing socialism.

Blaming the enemy for everything means running away from reality, said Kucan, stressing that we must begin with differentiation in development orientation. At that LCY Central Committee Presidium session, I expressed my conviction that our party, human, and patriotic duty and responsibility was to endeavor to ensure the formation as speedily as possible of the economic development program which would, as a convincing prospect, be capable of obtaining majority support in all the republics and provinces in the country.

During the discussion at the session I proposed that the LCY Central Committee Presidium commit itself according to the stands adopted by the Military Council.

I said that this was a new quality in the country's political relations. I also asked why the Military Council session's stands, which were exceptionally political in content, appeared prior to the LCY Central Committee Presidium session, although it was well known that we would discuss them at that session several days later. These conclusions, Kucan thinks, are different from the ones in the communique of the SFRY Presidency and the LCY Central Committee Presidium, and also from the stands of the Slovene LC Central Committee. Kucan says that the Military Council stands state that coordinated and open attacks on the forces initiated a special war with obvious subversive aims. It is also written in the stands that the YPA officers are being compromised, the unity of the Army is disintegrating, and young people are being reoriented and dissuaded from joining the military profession. The stands also state a desire to prevent cooperation of the YPA with the armed forces of friendly and nonaligned countries and liberation movements. They also state that this is a matter of a special war for which editorial boards received special instructions from those behind them, that this is happening is Slovenia, and that these activities are antirevolutionary in their content.

I also spoke at the session about the role of the Military Council, which according to the law, is a professional advisory organ of the Federal Secretary for National Defense. I explained that Comrade Krunic, president of the LCY Central Committee Presidium, told me over the telephone that he knew nothing about the Military Council meeting or about stands forwarded there. On Saturday, only 1 day after the Military Council session, Stane Dolanc received the same reply from Lazar Mojsov, president of the SFRY Presidency, who said that he had not been acquainted either with the stands or their publication. Does this mean, I asked, that this organ is an independent subject in the political life of the state and that I can independently make such far-reaching political decisions for the public which, considering the authority of the YPA, have very large repercussions. In the same way the words of Comrade Federal Secretary Mamula had large political repercussions at the Army party conference which took place at that time, said Milan Kucan.

Kucan added that at that session of the LCY Central Committee Presidium he also warned of the instruction, which the commander of the Ljubljana Military District said, he had received immediately after the Military Council session. The commander said these instructions were to have talks with representatives of the republican secretariat on security actions which should be undertaken in Slovenia on the basis of these conslusions. I must say, said Kucan, that this conversation was about possible reactions in case the military prosector and the federal public prosecutor, on the basis of the conclusions contained in the report from the Military Council session, were to bring criminal charges against the writers of some articles on the YPA; or in case detentions were to be ordered; or in case there was any possibility of protest meetings such as the meeting in front of the Palace of Justice when MLADINA editor Franci Zavrl was interrogated.

According to Kucan, the commander was interested in whether the internal affairs organs in Slovenia were capable of controlling the situation which could arise after these measures and even possible detentions on the basis of conclusions whereby the people staged protests in the streets. He said that his duty in that case was to protect army units, barracks, and army officials, but that they were ready to cooperate. The republican secretary and the under secretary for internal affairs said in this conversation, Kucan continued, that they could not comment on these questions without the knowledge of someone from the Slovene Presidency and the Slovene political leadership.

They looked for me. France Popit, then the president, was on an important visit to the United States. Comrade Dolanc was present during the conversation which took place in Planica. Considering the content and nature of the conversation, I thought his presence as the chairman of the Federal Council for the Protection of the Constitutional System necessary and useful. All these issues were repeated during the conversation. However, just as Ertl [secretary of the Slovene Secretariat of Internal Affairs] and Erzen [under secretary of the Slovene Secretariat of Internal Affairs] previously refused a discussion on this subject, neither I nor Dolanc wanted to talk as we knew nothing about all that. It was, however, quite clear to us that any such activity would have irredeemable political consequences for which the political leadership could not in any way take responsibility.

The republican committee for All-People's Defense and Social Self-Protection also knew nothing about the instructions which the commander received. This why I protested most resolutely against such a procedure, not because of the commander, who behaved extremely correctly all the time, but against such a practice, because it can fundamentally change relations in society, as well as the position of political subjects, their duties, rights, and responsibilities.

This is a very delicate matter and unacceptable for the resolving of relations and problems in the federation, and I wanted to hear the Presidium's stands on it. Finally, I draw attention to a request for unanimous conclusions. At the Slovene LC Central Committee session it was also stressed, Kucan added, that ideopolitical processes in Slovenia should be dealt with much more carefully, as should some aspirations which could turn into nationalist and separatist platforms. This requires more concrete and devoted activity, not only on the part of the LC, but also on the part of all the political structures. We are not satisfied with the present activity and results to which attention was also drawn by Secretary Milos Prosenc in his report at the 17th session.

In Kucan's words, the members of the LCY Central Committee Presidium thought that they should not discuss these matters and that it was normal for the Military Council to have discussed these events in Slovenia, explaining that no instructions whatsoever had been given about the activities which were the subject of the conversation between the commander and comrades from the Secretariat for Internal Affairs. This is the whole truth about the report in shorthand; therefore, after this conversation there is no basis for speculations about a military coup or the list for arrests which was allegedly prepared in Slovenia, said Milan Kucan ending his speech.

Commentary on Anti-Slovene Attacks

AU3006194988 Ljubljana Domestic Service in Slovene 1700 GMT 30 Jun 88

[(Boris Lencar) commentary]

[Text] After the members of the Central Committee of the LC of Slovenia at their Monday session resolutely and with good arguments rejected the reproaches that our republic (?harbors) a mass nationalistic movement against the Army and that general anti-Army feelings exist, (?and the insinuations) in parts of the Yugoslav press had also been rejected by other republican political bodies [words indistinct] the Yugoslav People's Army in Slovenia. [Words indistinct] Tomislav Radovic, who at the session of the LCY Central Committee reproached the Slovene leadership for indecision and confusion, and the president of the Belgrade Veterans Organization [name indistinct] who ascribed to our leadership (?negligence) and even defense of the anti-Army hysteria. (Boris Lencar) comments:

A soberly thinking man simply cannot believe that in spite of all the facts, such generalization and inflation of two or three cases of uncultured and hooligan behavior against Yugoslav People's Army personnel, or the provocation by a group of noisy people at the barracks in Metelkova Street in Ljubljana after the cultural meeting had ended, or the insulting behavior of a group of secondary school graduates toward the sentry at the Ljubo Sercer Barracks is possible.

(?These unbelievable) political speculations are all the more incredible because these incidents were denounced at once and unequivocally by all: the people, the public, the SAWP, the LC, the youth organization, the Presidency of the Republic, the republican assembly, as well as public information media and the Human Rights Protection Committee. But all this is of no avail.

The anti-Slovene wave based on alleged attacks on the Army rolls on. Despite a positive assessment of the latest session of the Slovene Central Committee, Bosko Krunic in his speech yesterday expressed the opinion that, beginning with the youths' demand for a civilian instead of a military service and to the present time, the anti-Army feelings in Slovenia increased explosively. It seems therefore that even the latest public statement by Milan Kucan drawing a distinction between the unacceptable incidents and hostile articles and pamphlets about the Army in MLADINA and NOVA REVIJA on the one hand, and the constructive discussion about constitutional problems of all-people's defense, and of the Yugoslav People's Army within this context on the other, has not been convincing, although the president of the Slovene Communists at the same time reiterated that cooperation with the Army is excellent, for it is built on the realization that this is our Army, the continuation of the Slovene partisan army.

Along with our listeners, we could hear more evidence of this in a broadcast on our radio's second program, in which we interviewed officers, soldiers, and citizens in Ljubljana, Maribor, Celje, Brezice, Postojna, Ptuj, Izola, Kozina, and Kranj: they all as one man convincingly refuted the assements about a so-called anti-Army feeling.

So what now? How is one to accept these contradictions, particularly if one considers the fact that it has been proved many times in our republic that we Slovenes are, to use Stipe Suvar's words at the latest session of the Slovene Central Committee, particularly sensitive about our Army as a guarantee of the territorial integrity of our state. Perhaps those people who are not satisfied with all these truths are not aware that their political manipulation connected with some sort of a republican anti-army feeling is harmful both to the Army and to the Slovene people, including the young men who serve the Army or are leaving for Army service in the Yugoslav People's Army.

It would therefore be logical that they should finally believe the legitimate representatives of the Slovene people, and the legitimate representatives of the Yugoslav People's Army in Slovenia, that we do not stand one against the other. There is plenty of evidence, both in the barracks and outside the barracks.

Maribor Authorities Discuss Strikes

AU3006135688 Belgrade POLITIKA in Serbo-Croatian 29 Jun 88 p 14

[S. Petrovic report: "Workers Demands Discussed"]

[Text] Maribor, 28 Jun—An extraordinary session of the City Assembly Chamber for Associated Labor today discussed last week's strikes of Maribor workers, and reached conclusions on the necessary measures to repair the situation that has arisen. An extraordinary session of the city SAWP Conference Presidium devoted to the same topic is scheduled for tomorrow afternoon.

The Maribor City Committee Chamber for Associated Labor decided that the work organizations must at once examine the possibility of paying personal incomes up to the end of the year, must be in touch with producers and suppliers of cheaper goods from other areas, must set in motion a procedure to reduce deductions from incomes, net incomes, and personal incomes for the needs of general and individual consumption, and must encourage employment services to examine the possibility of employing the approximately 2,000 people seeking work here.

The session of the Chamber of Associated Labor said that the city possesses an adequate number of retail outlets which will be offered to producers of cheaper foodstuffs, because it is well-known that this is the most expensive city in the country, and that earnings here are not among the highest in Slovenia.

Slavko Vizovsek, president of the Maribor SAWP City Committee, said at the session that Maribor did not wish to undermine the agreement with the IMF with these strikes, as rumors spreading in various places have it. In many places here, the lower limit of living standards has been reached, below which life is not possible. Out of a total of 95,000 employees in the Maribor economy, almost 28,000 are in receipt of some kind of welfare, which is unthinkable under Slovene circumstances.

When it is a question of meeting striking workers' demands, it must be mentioned that the procedure has begun of reducing the six communes here to one, or to some more rational number. Reducing the number of Self-Managing Interest Communities was also examined.

Delegates of the Chamber of Associated Labor very sharply criticized the behavior of a number of provocateurs who infiltrated the masses of strikers between Tuesday and Thursday last week and in hooligan fashion incited the dissatisfied workers to attacks. The attacks were not, however, the reason the workers stopped work.

Zmaj Workers Protest at SFRY Assembly

AU3006122188 Belgrade POLITIKA in Serbo-Croatian 18 Jun 88 p 7

[Report by a group of POLITIKA journalists: "'Zmaj' Workers Outside SFRY Assembly"]

[Text] Dissatisfied because of the personal incomes they had just received and the situation in which their collective finds itself, workers from the first shift of Zemun Zmaj decided yesterday morning to go to the SFRY Assembly. A line of several thousand workers walked through the center of Zemun, New Belgrade, and over the bridge in Brankova Street toward Marx and Engels Square. On the way, they expressed their dissatisfaction by shouting the slogan "We want changes" as well as other things.

Although there were two attempts to direct the Zmaj workers to the Pinki Hall and the Sava Center—for them to talk about their problems—they refused, and arrived in front of the SFRY Assembly at 1315 local time. On the way, the Zmaj workers were joined by Aleksandar Bakocevic, president of the City Assembly, and Rados Smiljkovic, president of the Belgrade LC City Committee Presidium.

After quite a long wait, Dusan Popovski, SFRY Assembly president, and Janez Zemljaric, FEC vice president, came out in front of the workers.

Vlado Pupovac, the first speaker, explained that it was a question of a meeting between the Zmaj workers and the Yugoslav Assembly. He did this on behalf of the Zmaj trade union organization, saying that they had met because they could not solve their own problems within Zmaj and that they had waited a long time for society to do it.

Citing the fact that the Zmaj workers had not even received their annual holiday pay, Pupovac explained that Zmaj had been subjected to intervention measures since the beginning of last December, but production had doubled for the first half of this year compared with the same time last year (they produced 1,100 combines) but despite this, they received reduced personal incomes, because they had had losses last year. He said that their obligations toward society had also increased.

"We are not bitter only because of our personal incomes, but primarily because changes have not been introduced into society. The Belgrade economy is near collapse, nothing has been done. If Zmaj has to go into receivership, then the same should apply to the Zemun commune and to Belgrade."

The first attempt by Radoslav Mitrovic, Zmaj's official receiver, at speaking, failed. The workers improvised a speaker's platform, onto which they put loudspeakers.

"This should be the last warning to those who are able and who decide that our production can be better. You have criticized the factory's leadership," said Radoslav Mitrovic, turning to the workers when they had enabled him to speak, "but our chances for increasing your personal incomes even more have been exhausted. Zmaj workers deserve better incomes."

Vuk Grbovic, an engineer, then went onto the platform. He said that today the able ones were not being asked, but the ones who are expected to be obedient. Incomes are the least significant problem. "A bigger problem is that this society is split into classes, from nursery school all the way up."

"This can no longer be tolerated. For decades the leadership has been telling us to tighten our belts, but they are expanding along the Neum coast," said Borivoje Odobasic, and suggested that the highest personal income be not more than three times the lowest.

The SFRY Assembly president apologized to the workers for the long wait and for the fact that he had not received them immediately, saying that there was only space for 380 people in the Assembly building. "We have heard very strong and sharp words, many criticisms, rebukes, proposals, and suggestions, mostly about the situation which is effecting the people in Zmaj." Popovski asked the workers whether they wanted to hear Janez Zemljaric, FEC vice president.

He did not quite hear the reply from the crowd, but Zemljaric came out in front of the microphone and immediately expressed regret that such serious questions had to be discussed in such an atmosphere. At this, the workers shouted: "It does not bother us!" After regret, Zemljaric expressed satisfaction at Zmaj's economic results for this year, but recalled that Zmaj had uncovered losses from last year.

Replying to the workers' protests at the intervention laws, Zemljaric said that they had been harmed not by the laws but by what we have been doing for decades and spending on overdraft.

The crowd asked the new question: "We want the names of those who borrowed the money." Zemljaric replied they should ask about this and how the money is spent in the local community, the commune, the city, the republic, and the federation.

Zemljaric promised to take into account everything that he had heard and that was justified in his future work and the proposals for economic policy.

Mira Andjic, an engineer, replied to Zemljaric's statement on the large debts with the words, "We did not borrow the money."

In this way, the meeting continued in an unusual place and in an even more unusual atmosphere. The president of the Kukobat factory for agricultural machinery then took the microphone and informed the workers that an agreement had been reached and holiday pay and reduced personal incomes would be paid by Wednesday at the latest and "the work organization would be consolidated in the foreseeable future."

Obviously realizing that the workers were not going to disperse, Popovski, SFRY Assembly president, again took the platform and said that he would ask to be received by the the LCY Central Committee president, the SFRY Presidency president, and the FEC president tomorrow, in order to brief them on what had been discussed in front of the building on Revolution Boulevard.

The Zmaj workers' strike ended at about 1630 local time without incident.

More on Protest

AU3006134388 Belgrade BORBA in Serbo-Croatian 18 Jun 88 p 1

[Unattributed report: "Workers Chant: We Want Changes"]

[Text] Belgrade, 17 Jun—Today, at 1310 about 2,000 workers of the Zemun Zmaj work organization arrived in a protest march in front of the SFRY Assembly.

They were carrying a picture of Tito, and the state and party flags. They were chanting and shouting: "We are Tito's, Tito is ours"; "We want bread"; "Our children are hungry." They also sang the national anthem several times and the song "Comrade Tito, we swear to you...." One could also hear slogans: "This is our fate"; "Get out you thieves"; "We'll bring our kids"; "You betrayed Tito, you betrayed the people"; "We don't want charity."

The workers demanded that microphones be installed in front of the SFRY Assembly, and refused to go to the Trade Unions' hall or the Sava Center because the "Assembly belongs to the people." They also refused a proposal that a group of them be received in the Assembly's central hall.

Meanwhile, several thousand citizens gathered in the Boulevard of Revolution. Most of them gathered in the Pionirski Park and by chanting and applauding gave support to the workers who blocked the central entrance to the Assembly.

The security organs were ordered not to intervene. The Zmaj workers organized their own order keepers. While the negotiations as to where a meeting should be held were taking place, water was provided from the Assembly and a team of doctors intervened several times because several people in the crowd did not feel well.

Meanwhile, negotiations with the workers' delegation were still going on in the Assembly. In addition to Aleksandar Bakocevic, president of Belgrade Assembly, Rados Smiljkovic, president of the Belgrade LC City Committee, and Miodrag Lazarevic, president of the City Trade Union organization, who came with the workers from Zemun on foot, Dusan Popovski, president of the SFRY Assembly, and Janez Zemljaric, vice president of the FEC, and several other Assembly officials also arrived.

It was suggested that a group of 300-400 workers come in the central hall. The workers' representatives, Milika Jovanovic and Vladimir Kukobat rejected the proposal saying that this would cause a chaos of unforeseeable consequences. "We invited you to come to the Zmaj premises, but nobody turned up, and therefore we came to you."

While these negotiations were taking place, dissatisfaction outside the building grew. It took a long time to install microphones. Around 1440, the second shift of the Zmaj workers arrived in front of the Assembly and received a loud cheer. Shouts were heard: "Come out, the Assembly belongs to the people, let the people rule." The people gathered in the Pionirski Park on the opposite side were cheering the workers who replied: "Join us." Otherwise, the militamen were keeping the access to the Assembly clear.

Discussions Under Way

AU3006133688 Belgrade BORBA in Serbo-Croatian 20 Jun 88 p 3

[B. O. report: "Discussion About Zmaj Still Going On"]

[Text] Belgrade, 19 Jun—According to the information given by the Belgrade City Assembly, where we had inquired as to whether Belgrade Assembly president Aleksandar Bakocivic was seen by the top SFRY officials (so that he could brief them about the situation in the Zemun factory, as was promised to workers on Friday), we were told that the talk with the Mayor was still going on. However, it was not explicitly said who had received Bakocevic, but it was explained that all negotiations are in fact a "prelude" to an open dialogue between the Zmaj workers and FEC vice president Janez Zemljaric which is scheduled for Wednesday, 22 June.

Tomorrow, a joint meeting of all the basic LC organizations, their Presidium, and the factory trade union organization will be held on Zmaj premises. A special working group of the Belgrade LC City Committee was also set up to monitor the realization of what has been agreed.

Workers Meet Officials

AU3006133788 Belgrade POLITIKA in Serbo-Croatian 23 Jun 88 p 9

[V.S., T.V., and G.K. report: "To Stop the Crisis Through Changes"]

[Text] The losses of the Belgrade agricultural machinery factory (whose workers demonstrated outside the SFRY Assembly a few days ago) will have been covered by the end of this month at the latest. Beobanka will contribute 70 percent of the financial consolidation and the rest will be provided by the financial rescuers. Along with intensive work on widening the capacity of the section for the production of processing equipment and automobile wheel rims, it should expected that Zmaj will receive some new production programs. It was also announced that its very modest exports will be increased, thanks to arrangements with Czechoslovakia and Poland, and it is also hinted that the Yugoslav bank for international cooperation will give loans for the export of this factory's agricultural machines.

In short, this would be the epilogue to yesterday's well-attended meeting of the workers of Belgrade Zmaj Plant (about 4,000 were present), which was also attended by Janez Zemljaric, FEC vice president, Radenko Zunic, vice president of the Serbian Republican Executive Council, and Milorad Unkovic, president of the Belgrade City Assembly Executive Council, among others.

The meeting took place in a dignified atmosphere with the basic slogan of the Zmaj workers: "We want changes."

Both the workers and the guests found a common language on one thing: Economic and political reforms are essential and are the sole condition for a way out of the crisis. The Zmaj workers accept the economic reform but also demand that its consequences are not felt only in material production.

Janez Zemljaric agreed that the warnings of the Zmaj workers, that there must be a more effective response, were justified. However, he warned that are forces operating in society which oppose the reforms and which want to destroy social ownership and self-management by exploiting dissatisfaction.

"We must not allow them to impose themselves," said Zemljaric.

The meeting ended at about 1700 local time and the message from Marko Rasic, a Zmaj worker, that this is the last warning from the worker class, was applauded.

Employees, Press Cannot Speak

AU3006133488 Belgrade BORBA in Serbo-Croatian 20 Jun 88 p 3

[D. Pusonjic report: "State of Emergency for Many Years"]

[Text] The workers' strike is over, but the state of emergency in the Zmaj plant of Zemun is still in force.

Because of the "state of emergency" in the plant, journalists could not see, let alone speak to the Zmaj workers and management. This was the order of the Zemun Committee for All People's Defense and Social Self-Protection, which we were kindly informed about by Rodoslava Knezevic, secretary of the firm's receivers' lawyer, on Saturday, a day after the protest meeting in front of the SFRY Assembly. The embargo on all information will last until the middle of next week.

Although the news about the strike spread very quickly throughout the country, Zmaj's problems did not emerge overnight. According to the number of strikes, the Zmaj workers are on top of the "chart list" in Zemun and the Zemun commune. Illiquidity, losses, and the enormous stocks of finished products have not been in the news for a long time. The losses, a part of which cannot be covered, led to the introduction of the intervention measures in the Zmaj in 1987 (last year alone losses amounted to 11 billion [currency not specified], of which 4 billion have still not been covered).

For some years now, Zmaj has been faced with unsuitable productions programs, technical-technological obsolescence, poor marketing organization, lack of working capital (which was tied up in stocks), as well as by lack of accumulation in agriculture and modest demand by customers. Combines and mowing machines cannot be bought even on credit any more because the times when the farmers used to pay in advance and wait for the delivery for months have long gone.

Experts have worked out that at present the Zmaj plant works at only 40 percent of its capacity, and that if it had worked 100 percent, losses would only be greater. The paradox of more work, more losses, can only be resolved by the introduction of new production programs. But, by the time their effects were to be felt in the plant, what should be done with the workers who support a "half of an administrative worker" each? What should be done with experts who are leaving Zmaj because they are equally dissatisfied with their personal incomes, and whose average personal income last year amounted to 144,000 dinars? What should be done with the "practice" (the only possibility?) of paying for loans and losses with new loans?

The fact is that the introduction of intervention measures made the workers work much harder ("we were forced to work hard by the receiver") and led to an increase in production and productivity, but because of poor sales and the repayment of borrowed money, the personal incomes they received were reduced by 20-40 percent. They did not receive the holiday money either, "although the commune had distributed the surplus." In front of the SFRY Assembly they were promised that they would receive full incomes and holiday money.

So, while they were holding discussions in the factory yard, the strike has found the money that did not exist. On the other hand, the intervention measures also helped toward the preparation of a consolidation program. The authors of this program—the Institute for the Economy of Agriculture and the new management of the Zmaj—suggested that the production be increased by 25 percent, that all losses be covered by society, that a short-term loan of several million dinars be waived, and that the plant's products be exempted from the communal and republic taxes. There is also a suggestion that "there is" a 20 percent surplus of the work force. What the workers will say about these proposals, and what society will say, remains to be seen, after the "embargo" of the Committee for All People's Defense and Social Self-Protection is lifted.

NIN Interviews Milosevic 1 Jul

AU3006153188 Belgrade Domestic Service in Serbo-Croatian 1300 GMT 30 Jun 88

[Text] Tomorrow's edition of Belgrade NIN carries a seven-page interview with Slobodan Milosevic, president of the Serbian LC Central Committee Presidium. For this newscast we have selected answers to three questions by the NIN journalists.

Is it possible that anyone sincerely believes that the status of the autonomous provinces is destroyed if a citizen of a province has the right to complain to the Serbian Supreme Court? The NIN journalists ended this question with the sentence: Are we not, thus making it official that the provinces are states?

President Milosevic answered: I think that no one believes that, but some people say it because they think they can use it as an argument for the policy which they are carrying out exclusively in their personal, or in the best case, group interests. This falls into an attempt to make states out of the provinces. If this were accepted peacefully, Serbia would probably be the only nation in the world to agree to live in three separate states without physical force. They would not be separated by international agreements, nor the armed forces, nor geographical location, but by themselves.

To the question: If the provinces are not states, as he says, then why are there difficult disputes on questions of security, foreign policy, and the status of the Serbian Supreme Court and the all-peoples defense command, Slobodan Milosevic replied:

In my opinion, because parts of the provincial leaderships want the provinces to be states, either in the near or distant future, but this should not be stated so directly, not to say vulgarly, as this would also irritate other citizens of Serbia, outside its so-called proper territory, as well as many citizens in other republics. Therefore, negotiations are taking place to adopt some rights which would, if they are adopted, represent the basis for splitting Serbia into three independent and mutually exclusive parts, into three states.

The next question from the NIN journalists which we have included in this selection, concerns LC activity. The openness of the work of the LC toward the public, particularly of its highest and most important organs, is not even today the Communists' strongest point. How can this policy be changed? How can it be made more publicly approachable, more understandable, and more able to mobilize political energies?

Slobodan Milosevic replied: The way it was said at the eighth session, [of the Serbian LC Central Committee on 23 and 24 September 1987] for example. In the few years since I have been in the Serbian LC leadership, we have had conflicts over closed sessions, and even before the eighth session there was pressure for it not to be open.

The explanation that, for the time being, it should not be made public, is not compatible with my understanding of democracy and politics in a socialist country. Closed sessions and a socialist self-managing democracy are phenomena which do not go together. One excludes the other. Slobodan Milosevic, president of the Serbian LC Central Committee Presidium, thus concluded his answer to the question on the openness of the work of the LC during an interview which the Belgrade NIN is carrying in tomorrow's edition.

Ambassador to Sweden Not To Be Recalled

AU3006185388 Belgrade BORBA
in Serbo-Croatian 25-26 Jun 88 p 7

[D. K. report: "No Reason for Recall"]

[Text] Belgrade, 24 Jun—At the last FEC session, the delegate Ivan Viteznik raised the question of whether steps were being taken to recall Zlatan Kikic, our ambassador in Stockholm, because of his "well-known instance of unbecoming conduct."

The FEC's *reply to Ivan Viteznik's question* states that this delegate has been misled by fabricated and sensational descriptions of the incident in parts of the Swedish tabloid press, which have been taken up by sections of our press without checking the facts. The reply mentioned that this incident was the subject of intensive contacts between the Secretariat of Foreign Affairs and the Swedish Ministry of Foreign Affairs. For our part, anger was expressed over the disinformation that has appeared in the press, attempting to compromise the Yugoslav ambassador's personality. The correct behavior of the Swedish Ministry of Foreign Affairs must particularly be stressed, for its press representative Martin Halkvista denied allegations of this kind in a firm statement, emphasizing that Ambassador Kikic in no way disturbed the public peace at a picnic. He explained the fact that he was armed as perfectly understandable, bearing in mind that Ambassador Vladimir Rolovic was a victim of a terrorist assassination attempt in Stockholm, as well as the fact that about 60 foreign diplomats in Sweden possess weapons.

For all these reasons, there are no grounds for discussing the possibility of Ambassador Kikic's recall.